

# USAID PHILIPPINES ENVIRONMENTAL GOVERNANCE PROGRAM ASSESSMENT FINAL REPORT

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*Submitted to:*

**USAID/Philippines**



The Paz family grows bananas, scavenges and manages the city dump on a forested hillside outside Compostella, a coastal community near Cebu in the Central Visayas Region of the Philippines

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## ACRONYMS

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ACDI	Agricultural Co-operatives Development International
ADB	Asian Development Bank
ARMM	Autonomous Region of Muslim Mindanao
AWP	Annual Work Plan
ASE	Alliance to Save Energy
ACCESS	Association of Citizens Committed top Ecological Nurture and Sustainable Development (Inc)
B/FAR	Bureau for Fisheries and Aquatic Resources – Department of Agriculture, GoP
CRMB	Coastal Resources Management Board
CASCADE	Caraballo and Southern Cordilla Agricultural Development
CBFM	Community Based Forest Management
CENRO	Community Environmental & Natural Resources Officer
CIDA	Canadian International Development Agency – bilateral agency of the Government of Canada
CITES	Convention on the Threatened and Endangered Species
CLUP	Comprehensive Land-Use Plan
CLET	Coastal Law Enforcement Team
CRMP	Coastal Resources Management Project
CRCI	Coastal Reef Conservation Initiative Project
CI	Conservation International
CIEL	Center for International Environmental Law
CLEAR 7	Coastal Law Enforcement Alliance in Region Seven
CBFMO	Community Based Forest Management Office
CBNRM	Community Based Natural Resource Management
CRM	Coastal Resource Management
CMMO	Coastal and Marine Management Office
CB-CRM	Community Based Coastal Resource Management
CWA	Clean Water Act
CRMF	Community Resource Management Framework
CADC	Certificate of Ancestral Domain Claims
CADP	Central Azucarera Don Pedro
DAI	Development Associates Inc.
DAI	Development Alternatives Inc.
DANIDA	Danish International Development Agency – Denmark
DENR	Department for the Environment and Natural Resources
DfID	Department for International Development — UK
DGIS	Royal Netherlands Government - bi-lateral aid agency
DILG	Department of the Interior and Local Government – GoP
DAO	Department Administrative Order
DA	Department of Agriculture

DA-BFAR	Department of Agriculture — Bureau of Fisheries and Aquatic Resources
DoH	Department of Health
DENR-PAWB	Department of the Environment and Natural Resources — Protected Area and Wildlife Bureau
EcoGov	Ecological Governance Project
EC	European Commission
EMB	Environmental Management Bureau
ENRO	Environmental & Natural Resources Officer
ESSC	Environmental Science for Social Change
ESWM	Ecological Solid Waste Management Board
EU	European Union
ELAC	Environmental Assistance Center
EWG	EnterpriseWorks Worldwild
EPA	Environmental Protection Agency
FARMC	Fisheries and Aquatic Resources Management Council
FLUP	Forest Land-use Plan
FISH	
FLUP	Forest Land-Use Plan
FMB	Forest Management Bureau
FFM	Forest and Forestland Management
FY	Financial Year
FPE	Foundation for Philippine Environment
GoP	Government of the Philippines
GTZ	Government of Germany Technical Assistance Agency
GIS	Geographic Information Systems
HRD	Human Resource Development
HRM	Human Resource Management
IMA	International Marine Alliance
IRR	Internal Rate of Return
ISWM	Integrated Solid Waste Management
IEE	Initial Environmental Examination
ICLEI	International Council for Local Environmental Initiatives
IWRA	Integrated Water Resources Alliance
IEG	Institute of Environmental Governance
IBRD	International Bank for Reconstruction and Development (The World Bank)
IEC	Information, Education and Communication
JIBC	Japanese Bank for International Co-operation
JICA	Japanese International Co-operation Agency — Government of Japan Bi-Lateral Aid Agency
KKP	Philippines WWF Partner



LGU	Local Government Unit
LSP	Local Service Provider
LMP	League of Municipalities
LBI	Louis Berger International
LLDA	Lake Laguna Development Authority
MDC	Municipal Development Council
MIS	Management information System
MoU	Memorandum of Understanding
MoA	Memorandum of Agreement
MRF	Materials Recovery Facility
MDC	Municipal Coastal Database
MMDA	Metro-Manila Development Authority
NEDA	National Economic Development Agency — GoP
NGO	Non-Governmental Organisation
NIPAS	National Integrated Protected Areas
NAMRIA	National Mapping and Resource Information Agency
OEM	Office of Environmental Management in USAID, Manila
OPR	Office of Prime Responsibility within DILG
OPHN	Office of Population for Health and Nutrition — USAID
PADCO	Planning and Development Co-operative
PENRO	Provincial Environmental & Natural Resources Officer
PMO	Project Monitoring Office in DENR
PO	Peoples Organisation
ppp	private public partnership
PRA	Participatory Rural Appraisal
PAMB	Protected Areas Management Board
PA	Protected Areas
PAO	Provincial Agricultural Officer
PCV	Peace Corps Volunteer
PPSO	
PPAG	Program Policy Advisory Group
POPCOM	Population Commission
PAWB	Protected Area and Wildlife Bureau
PASA	Protected Area
PEDOS	Police Enforcement Desk Officers
PEZA	Philippine Economic Zone Authority
PRAG	Program Policy Advisory Group
PDC	Provincial Development Council
OEM	Office of Environmental Management <sup>12</sup> — USAID, Manila

RA	Regional Assembly
RGISC	Regional GIS Center
RLUC	Regional Land-Use Committee
RGIN	Regional Geographic Information Network
RDC	Regional Development Council
RUP	
SIDA	Swedish International Development Agency — Government of Sweden Bi-lateral Aid agency
SOAG	Strategic Objective Agreement
SUCCESS	Sustainable Cocoa Extension Services for Smallholders
SWM	Solid Waste Management
SWAPP	Solid Waste Association of the Philippines
SWM	Solid Waste Management
SO4	Strategic Objective # 4 — of the OEM-USAID
SAF	Special Activities Fund
SUCCESS	Sustainable Cocoa Extension Services to Smallholders
SMBC	Sierra Madre Biodiversity Corridor
SSME	Sulu-Sulawesi Marine Eco-Region
SEAWUN	South East Asian Water Utilities Network
ToC	Table of Contents
ToR	Terms of Reference
ToT	Training of Trainers
TWG	Technical Working Group
TAP	Transparency, Accountability and Participation
TK	Tanggol Kalikasan
TOP	Technology of Participation
TOT	Training of Trainers
UPFMI	University of the Philippines Fisheries Management Institute
USAEP	United States-Asia Environmental Partnership
USAID	United States Agency for International Development
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
USAID-OEM	United States Agency for International Development — Office of Environmental Management
US-AEP	United States — Asia Environmental Partnership
USEC	Under Secretary
UNESCO	United Nations Educational, Scientific and Cultural Organisation
VOCA	Volunteers Overseas Co-operative Assistance
WWF	World Wildlife Fund for Nature

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## ACKNOWLEDGEMENTS

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## EXECUTIVE SUMMARY

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### THE ASSESSMENT

The forest and coastal resources have been on a steady decline during the past twenty years as a result of population growth, timber harvesting (legal and illegal), over-fishing and the use of destructive fishing practices. The watersheds, estuaries, coral reefs continue to suffer from heavy soil erosion.

In addition, communities throughout the country are experiencing serious environmental problems with the management of solid wastes. Garbage accumulates or is dumped indiscriminately. So these three subjects are the primary focus of the EcoGov program.

The EcoGov Program supports the Philippine Government in revitalizing the economy through improved management of the environment and natural resources. The primary focus is assisting local communities manage the forests, coastal resources and solid wastes. It is a five-year national program with special emphasis on Mindanao. Support activities included: improve legal and administrative policy framework ; improved capacity of local government, judiciary, and other stakeholder groups, increased public information and advocacy for environmental issues. There are twelve projects under the EcoGov umbrella in the SO4 Environmental Strategy.

#### Purpose of evaluation:

- A. Assess impacts and recommend areas for improvement.
- B. Prepare a scoping report on existing initiatives and gaps.

### THE TEAM

Three expatriate specialists in natural resource management, solid waste management and evaluation. Two domestic specialists in forest management, local government, human resource development.

### METHODOLOGY

The team reviewed all relevant documents, interviewed USAID program managers and staff, government officials in ministries and other agencies, project managers in headquarters and field sites, other donor representatives with relevant environmental projects. Visited field sites and interviewed local stakeholders, local government officials, community group leaders and project staffs. The team assessed the accomplishments of each project and made recommendations for improvements.

### THE PROJECTS

#### A. Environmental Governance Project — *Development Alternatives, Inc.*

This is the signature project of SO4 and is designed to provide the primary program thrust in local governance of natural resources and environment. There are three clearly defined areas of

management – forest resources, coastal resources and solid waste management. The USAID strategy is focused on local community management and this project strengthens local entities in the three subject areas. Other projects in EcoGov do similar things in various and there is there is mutual support among projects in the field.

EcoGov Project established reasonable goals that should be achievable given the staff and resources available. However the project got off to slow start with management changes and project design revisions, and thus is trying to catch up with the original work plan. It will likely reach its objectives but it will not have the time to institutionalize the program to the extent originally planned for this phase.

The future success of the EcoGov Program will depend in a major way on the effectiveness of the EcoGov Project in providing the policy framework, the coordinating mechanisms and the field operational leadership that bring about a national program of environmental governance anchored by community-based natural resource management.

**B. Coastal Resources Management Project — TetraTech, Inc.**

CRMP has seven-year history of coastal resource management in the Philippines and as it phases out in 2004 it can claim major achievements in the establishment of technologies, best practices and community-based governance of fisheries, coral reefs, mangroves, estuaries and shorelines. The project has been involved in all aspects of program development including, policy generation and advocacy, public information and education, local governance and management training, and technology transfer. It has brought over 3000 km of shoreline under improved management. It has established community-based management in all areas of the country and trained hundreds in local communities. Coastal resources is one of the three legs of the EcoGov strategy and several projects including EcoGov, FISH and Conservation Financing have learned from CRMP and have assumed some of the program activities introduced by developed by CRMP. The future of coastal resource management is much improved as a result of the progress made by this project.

**C. Integrated Water Resources Alliance — PADCO**

This small nine-month (completed) project was a joint effort of USAID-Philippines and USAID-Washington, implemented by an alliance that includes the League of Cities of the Philippines, the PADCO consulting firm

**D. Legal Assistance to Communities — CIEL and Tanggol Kalikasan**

This is a small project with an important role in addressing a key goal of EcoGov, strengthening the legal and administrative framework. The project has provided extensive technical assistance and training to local governments and NGOs as well as environmental law training to practicing lawyers and judges. The project has also provided support to environmental policy development. The project has a number areas where it can improve its efficiency and expand its coverage to continue this important function in the future.

**E. Mapping and Impact of Population on Bio-Diversity — *Conservation Int.***

This relatively small project contracted to Conservation International plays an important role in the overall planning and management of natural resources by creating and putting to use a Geographic Information System which integrates extensive mapping of the country with demographic and other factors so that planners have a useful tool in making decisions policy development and allocation of resources. This is an on-going activity that should remain in the EcoGov portfolio in the future as a support function for national and local government agencies.

**F. Coastal Resources Management Initiatives — *U.S. Peace Corps***

The Peace Corps has long history in the Philippines of providing training and technical assistance to rural development. This project is an excellent example of PCVs working in collaboration with another technical assistance project – Coastal Resource Management implemented by TetraTech - to provide training and technical assistance to local communities in community-based coastal resource management subjects. With about 15 volunteers per year in the field, it is a small but an effective project and should continue under EcoGov in the future. It represents the very best of what the Peace Corps has to offer in developing countries.

**G. Coral Reef Conservation Initiative — *International Marine Life Alliance***

The ILMA has operated in the Philippines for two decades in direct interventions to protect coral reefs by mobilizing local communities, collaborating with GoP agencies, policy development and advocacy, public information, scientific research and monitoring, and assisting with sustainable fishing technologies and management. These efforts have been very successful in pioneering a whole national movement in coral reef protection to which many other organizations have signed on and lobbied the government to adopt policies and laws to protect the reefs. The real effort though is at the local level where communities are taking the lead in the protective activities. This program should continue and be an integrated component of the coastal resource management strategy of USAID.

**H. Sustainable Cacao Smallholder Extension — *ACDI/VOCA***

Introduction of alternative technologies to slash and burn agriculture is one of the most important initiatives of SO4 and this project is an excellent example of a production system that has the potential to provide upland farmers with a reasonable income while managing the soil and secondary growth forest in a sustainable manner. It is too early in the program to tell whether this project will succeed and there are so many factors determining its success or failure that it cannot be predicted at this time. World prices of course always play a major role in commodity-based production programs and will with this project. The assessment team would recommend that cacao production be promoted in conjunction with a broader based integrated agroforestry program in order to spread the risk and provide farmers with more options.

**I. Sierra Madre Biodiversity Corridor Project — *Conservation International***

This Washington funded project of CI seeks to mobilize local government and stakeholders in conservation activities that will protect the biodiversity of the key Sierra Madre Corridor. Community-based protected area management to prevent illegal harvesting and slash and burn

agriculture is the cornerstone of the CI strategy. This is a long-term endeavor but the initial first few years have been successful in establishing the program, mobilizing stakeholders and other organizations and focusing government policies on key issues. It is important that these efforts are sustained over the years and decades if this program is going to truly successful and not just a temporary delaying measure before the forest is harvested.

**J. Conservation Financing — *World Wildlife Fund - Philippines***

This pilot project, managed by a local NGO (KKP-World Wildlife Fund of the Philippines) with funds from WWF-US under a USAID Washington grant has the objective of creating and expanding long-term financing mechanism marine conservation in the Philippines. This primarily takes the form of revenue generation from scuba diving in the resort areas where diving is prominent. Fees collected from divers are used for conservation activities. The project is focused on the Mabini and Tingloy Municipalities in Batangas Province in Southern Luzon, Puerto Galera in Northern Mindoro Province and Tubataha Reef in the Sulu Sea, a part of Palawan Province. With the exception of Tingloy, these are all well-established scuba diving areas which attract both domestic and international tourists. Each area represents a different type of resort situation so the project is gaining broad experience in the various approaches to revenue generation that should be useful as the concept expands to other parts of the Philippines. The future of this program is bright as a method of sustaining the marine resource and expanding an important income-producing component of the national tourist industry.

**K. Enterprise Based Biodiversity Conservation — *EnterpriseWorks WW***

Similar to the Conservation Financing Project, this project has the objective of linking income generating commercial activity to long-term conservation of the natural resource, in this case: the forest. EnterpriseWorks Worldwide is a U.S.-based international NGO with USAID-Washington funding that has been implementing its program in Northern Luzon and Palawan. The goal is to assist local communities establish commercial enterprises in community-based forest management project areas. For the most part this means value-added processing of forest products linked to regional marketing federations. The project has a very ambitious goal of bringing 300,000 ha under the program. The program is initiated in each area with comprehensive base-line survey and a participatory planning process. While technologies exist that have promise for community-based enterprises, the communities themselves for the most part do not have the management capacity to undertake viable enterprise. The project is finding that it must focus more effort and resources initially on strengthening the capacity of communities before it can begin developing enterprises. This applies as well the regional federations. The project has excellent potential for the long-term if it can maintain support. One clear lesson learned over the last two decades of community-based development activities in the forest areas of the Philippines is that projects must have long-term sustainable programs for marketing of forest products if community-level activities are going to succeed. Producing and processing of forest products is not enough if markets and market access are not available. There are many proven agro-forestry technologies available in the Philippines that have been abandoned in too barangays because there was no market for the products or access to the market was blocked somehow. This project is designed to deal with that problem by addressing the marketing issues from beginning in conjunction with the production and processing components. This is much closer to the correct approach and deserves continued support.

## **L. United States-Asia Environmental Partnership — LBI and IIE**

USAEP is a long-standing USAID-Washington funded program that operates in number Asian countries on several levels. The objective is to introduce technologies and best practices through partnership arrangements to reduce the negative environmental effects of rapid population and economic growth, improve policy generation and enforcement and improve industrial efficiency and reduce waste and pollution. A number US government agencies, environmental NGOs, Associations, and private firms are involved in the program of technology transfer and capacity-building. USAEP in the Philippines is working in solid waste management, toxic and hazardous waste, clean water technologies and policies, and “greening the supply chain.” This program is an efficient way for technologies and best practices to be transferred to a number of countries at once and for strong interaction among countries in the region dealing with similar environmental issues. USAEP fills an important role in the SO4 strategy and its continuance in the Philippines is recommended.

### **Governance, Institution and Capacity Building**

#### **Governance**

The trilogy of transparency, accountability and participation that forms the central elements of EcoGov Program calls for changes or improvements in rules, processes and behavior in the management of forests, coastal areas and solid wastes. Participation in the context of governance requires all stakeholders, particularly those whose survival depends on natural resources, to be engaged *in the process of decision-making*, as against less direct forms of participation (e.g., information, consultation, implementation or benefits).

Most of the projects have established different forms of multi-sector institutional mechanisms that seek to promote good governance in environmental and natural resource management.

All the projects have worked to institute good governance in the environment and natural resources sector, but the design of scope of work and duration of implementation have confined their efforts largely on participation in planning, and physical and administrative transparency.

The EcoGov Program needs to:

- design institutional mechanisms as change agents to be built into existing institutions to ensure community participation in real decision making and promote transparency in the process. EcoGov Program needs to focus technical assistance and training to assist DENR and LGUs make and implement clear rules of transparency and accountability.
- use USAID resources to get LGUs’ commitments to expand and reserve seats for CBFM/CBCRM People’s Organizations and women in local government special bodies (Local Development Councils, Local Procurement Councils, etc.) to increase participation, transparency and accountability at local level.
- strengthen LGUs’ public complaints desks and/or existing multi-sector governance structures to improve responsiveness to communities’ problems in dealing with natural resource management and utilization.



## **Institutional Development**

Legal gaps, scarce sources of sustainable financing, and limited technical skills of LGUs exist in implementing co-management agreements with DENR.

Limited capacity exists in DENR field offices to provide technical data and advice to LGUs and POs:

There is inconsistent implementation of the policy of providing incentives to CBFM communities.

Proliferation of multi-sector or multi-stakeholder committees/task forces has occurred at the provincial and municipal levels.

Local communities are not really empowered by their participation in many multi-sector or multi-stakeholder committees/task forces.

CBFM POs have limited capacity to develop sustainable livelihoods.

Many LGUs, judges and prosecutors require greater understanding of environmental laws to improve their enforcement capacity and hasten legal action on environmental cases.

**Conclusion and Recommendations:** Over the past two decades significant GoP and donor investments and works have been placed to institutional (and policy) reforms for improved management of forest and coastal resources in the country. The EcoGov Program has played a key role in developing and implementing more decentralized and community-based management approaches for these resources, thus paving the way for greater LGU and community participation. In the early 1990s the EcoGov Program has further made a further step by directly supporting institutional innovations particularly at the local level to promote good environmental governance practices. However, there remain problems and challenges, as noted above, affecting implementation of environmental governance. More resources are required and support is recommended for:

- strengthening LGUs' legal powers coupled with budget transfer and increased technical support systems for better environmental governance;
- improving the capacity of DENR field offices to provide technical data and advice to LGUs and POs;
- strengthening the capacity of PAMBs to implement their Management Plans and play active role in law enforcement within the protected areas;
- strengthening the capacity of CBFM and CBCRM communities to develop and implement sustainable livelihood projects consistent with conservation principles;
- building innovations on existing local governance structures, processes and rules to increase the chances of sustaining the EcoGov Program structures and other interventions and
- strengthening the understanding and capacity of the courts to handle the increasing caseload of environmental actions

## **Human Resource Development**

The success of environmental governance efforts relies to a great extent on how well the human resources of the LGUs and the community are able to carry out its environmental plans and programs. There are, however, human capacity development efforts that still need to be expanded or new ones that need to be addressed, such as the following:

**Capacity Development of Central Office Staff** All the projects have capacity-building components using different approaches such as participatory processes, training, coaching, and others. Capacity-building inputs are enriched with these newly developed processes, based on lessons learned from various project sites. There is a noticeable lack of involvement of DENR central office staff in capacity building activities, especially in the EcoGov Project. The need for central office involvement is based on the structure of the government.

**Training of Institutional Trainers** The training of LGUs, NGOs, and POs among projects of the EcoGov Program has resulted in enhanced capacities of both the government and private sectors of communities where the projects operate. Strengthening of institutions that transcend geographical and political boundaries should increase.

**Institute for Environmental Governance (IEG)** The establishment of institutes for environmental governance in all the regions is an excellent strategy to continue the expansion of legal education for environmental governance.

**Participation and Transparency.** The EcoGov Program needs to focus on the empowerment of communities as a major objective. Community participation beginning at the conceptualization stage is required. Consultation with communities is not sufficient to achieve the level of commitment required for success. Participation also promotes transparency since the people can clearly see how decisions are made on these projects.

**Sustainability of Project vis-à-vis Population Growth.** Gains in projects of the Eco Gov program are threatened by rapid population growth, through birth or combination of birth and migration. The resources available in are less than what the communities need in the future. Conservation International is addressing this problem, but it is still in its initial stages and their activities are limited to the Sierra Madre area. Already, they have gained many insights into the role of population growth with the sustainability of project gains.

USAID has a new project, HELP LGU on population planning should include EcoGov sites. Family planning strategies is necessary to sustain conservation efforts in natural resources.

**Conclusions and Recommendations: Environmental governance success depends on LGU and community participation. EcoGov has made substantial contributions in this regard. Areas that need to be addressed are:**

- Capability building of DENR central and regional office staff;
- Training sufficient numbers of institutional trainers;
- Expanding the scope of IEG participants;
- Using a variety of strategies to ensure better participation and transparency in the planning processes and decision-making;

- Backing up natural resources conservation efforts with family planning strategies; and
- Strengthening the capacity of NGOs to become active partners in environmental decision-making.

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# PHILIPPINE ENVIRONMENTAL GOVERNANCE

## PROGRAM ASSESSMENT

### FINAL REPORT

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## I. BACKGROUND AND METHODOLOGY

### BACKGROUND

This interim assessment of the Philippines Environmental Governance Program (EcoGov) was undertaken with one year remaining of a three-year activity. The purpose of the assessment is to obtain information on the performance of the various program components as against their stated objectives and against a matrix of indicators for SO4, Protection of Productive and Life-Sustaining Natural Resources.<sup>1</sup>, The program's quantitative achievements are elaborated and the impacts are assessed in terms of perceived immediate and longer-term benefits to the natural resources, environmental governance and the participating communities.

EcoGov is one of long line of environmental and natural resource management programs in the Philippines supported by USAID and other donors dating back to the early 1980s. This was a time characterized by rampant denuding of old-growth forests by licensed timber concessionaires and illegal loggers, followed by rapid encroachment of slash and burn farmers. Unregulated commercial fishing and illegal small-scale fishing were rapidly depleting the once rich fisheries of the Philippine waters. Erosion on the watersheds, harvesting of mangroves for firewood or for conversion to fish and prawn ponds, and dynamiting and siltation on the reefs were taking a heavy toll of the resource base. The donors' interest in stemming this environmental degradation brought on a series of projects to assist the GoP to control illegal logging, introduce soil and water conserving technologies to upland farmers in addition to coastal and marine conservation practices to fishermen and coastal residents.

It soon became apparent that the central government could not marshal sufficient forest guards or coastal patrols to make a significant dent in protection of the natural resources. A major lesson learned from these early projects was that the protection of the natural resources could only be achieved through the application of sustainable use practices by those whose subsistence living is derived from the forest or the fish in the coastal waters. With this recognition, the trend in government policies and donor project support was modified over time to promote and support the decentralization of control and management of the resources in the forests and coastal areas. With USAID policy direction the Coastal Resources Management Project (CRMP) and then

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<sup>1</sup>For clarification: the components of the EcoGov "Program" include the EcoGov "Project," the Coastal Resources Management Project (CRMP) and ten other grant assisted projects and activities (mostly NGOs) funded by USAID Philippines and USAID Washington. The EcoGov project, being implemented by Development Alternatives, Inc., and CRMP, implemented by TetraTech, Inc., are the primary components of the natural resources part of EcoGov and therefore constitute the main focus of this assessment. The energy part of EcoGov has a separate set of activities that are being assessed simultaneously by another team. The CRMP is coming to a close in 2003 and a successor project dealing with fisheries management, called FISH, is starting up as this assessment is being conducted and is not part of this scope of work. It should be noted that the ten other projects are each smaller in scale than CRMP and EcoGov but in the aggregate constitute a significant part of the overall EcoGov Strategic Objective.

EcoGov in their turn took significant steps toward implementing the transfer of resource management to local government units (LGUs) and communities. Changes in the legal structure enabled this change in focus from a centrally managed system to local control. The Local Government Code of 1991 reinforced by the Revised Forestry Code of 1997 and Fisheries Code of 1998 transferred the mandate for natural resource management to local government units. USAID has taken another step in assisting decentralization with implementation in 2003 of the FISH project, a successor to CRMP, for further improvement in the sustainable management of near shore fisheries by the LGUs and POs.

With the impending completion of the first phase of EcoGov project in 2004, USAID is faced with a set of decisions regarding the options for continuation of the program in the next medium-term planning cycle. It became important for an assessment team verify at this stage that the program strategy of bringing forest and coastal resources under local management is succeeding at achieving its expected results. If the strategy is found to be successful in achieving its quantitative results, then the assessment must attempt to determine if local management is in fact improved management qualitatively? Are the forests, watersheds, mangroves, sea grasses, coral reefs and fisheries actually being better managed and protected? There is a serious race going on here between human population growth and the dwindling capacity of the natural resource base to support it. With a population growth rate of 2.5% the pressure on the natural resources continues to increase. The bigger question for the Philippines is, can the local communities in the time needed employ sufficient sustainable management practices to maintain the soil, water, vegetation and marine resources essential for survival of the people? The Assessment Team cannot answer that question of course but we have attempted to determine how well EcoGov is doing in assisting LGUs and communities adopt improved management systems that might help them win the race. The Team has examined the strategies, the implementation approaches and the results achieved. We have identified lessons learned and gaps in the program. And finally, we have made recommendations at the end of this report on how the program could be improved and expanded.

## **METHODOLOGY**

An assessment team of five professional consultants, three expatriates and two Filipinos, was fielded for six weeks. The team members possess technical backgrounds in natural resource management, solid waste management, forestry, institutional development, agriculture, human resource development, urban environmental management and planning. The team reviewed the program documents and progress reports of USAID and the project implementers. See Annex A Documents Reviewed. In addition the team interviewed the relevant managers of the program components, government officials, other donor organization representatives, participating local government units (LGUs), people's organizations (POs), non-government organizations (NGOs) and other relevant individuals and organizations. See Annex B for Persons Interviewed. The team traveled to provinces in Northern Luzon, Central Visayas and Central Mindanao. Security concerns prevented the team from visiting LGUs in Mindanao but project staff and LGU leaders from both Western and Central Mindanao traveled to Cebu and Davao Cities and were interviewed by the Assessment Team.

The team examined EcoGov Project activities, Coastal Resource Management Project (CRMP) activities and 10 smaller USAID-supported projects that are considered components of the overall EcoGov Program. CRMP has been operating for about 7 years in a large number of

locations and therefore has a solid body of experience on which to assess results and impact. The EcoGov Project on the other hand was difficult to assess as it is only about 2 years into operation with LGU site activities in most cases operating for only one year or less. The majority of EcoGov Project sites are still in the planning stage, some have completed plans, and in a small number of cases the LGUs have just begun implementation. Most of the other ten components, consisting primarily of NGOs, have been operating programs for sufficient time to have enough experience for the team to assess performance and impact (several are completed).

The Assessment Team employed several techniques in conducting this evaluation to determine both quantitative and qualitative results. A quantitative assessment of program goals was done by extracting results as described by the project implementers in their periodic project monitoring reports. Program managers also provided additional data on progress results. They also were interviewed and asked to comment on the validity of the quantitative results. Interviewees at each level of implementation (field sites in particular) were asked to provide evidence of the actual impact of project activities. For example, beyond reporting that a community plan was approved, have the new Community Based Forest Management arrangements actually resulted in better management of the forest as determined by project monitoring? Also, are there any unintended results whether positive or negative, for example, has the marine sanctuary activity caused dynamite fishermen to increase their activities in other areas actually increasing coral reef damage and further reduction of the inshore fishery? Actual impact of an activity is the most important factor in the assessment. Are there real benefits to people and communities, are forests, mangroves and fisheries actually being preserved and managed in a sustainable manner and are the solid wastes from a community in fact being recycled or disposed using ecologically sound practices?

The Assessment Team prepared a list of questions, both general and specific that were used as guides in interviews with all categories of EcoGov Program managers, stakeholders and beneficiaries (Annex F). The team maintained broad flexibility in the interview process, adding new questions as they occurred to the interviewer during discussions and discarding less useful ones. The team ascertained from program managers the lessons learned during program and project implementation. In addition to those involved in EcoGov under the USAID program, to the extent time allowed, the team interviewed other donor representatives and their project managers. The team also interviewed some private sector enterprises with a stake or potential contribution, and others such as prominent academics and journalists who have been actively involved in environmental issues.

The quantitative data results for program components as extracted from periodic performance reports are compiled in tables and charts, comparing the stated original goals and intended results and any modifications that were made during implementation. The qualitative assessment as obtained from progress reports and interviews is summarized in the individual narrative reports for each component. In each case we have attempted to address the appropriateness of the original expected results, the actual rate of accomplishment, and unexpected difficulties in implementation of program components. Gap analysis was done to determine what was missing from the expected results and why.

In addition the team examined the policy framework under which the program is being implemented. The Government policies and the USAID policies were studied to learn if they are in accord with each other and in balance in terms of resource allocation and implementation

modes. The team explored whether the programs of other donors are useful and in support of the USAID Strategic Objectives in a manner that provides guidance for future planning and collaboration. The validity of the Strategic Objective for Environment is covered in the summary conclusions and the prospects for program continuation.

The Assessment Team members divided up for field visits. Two team members visited Nueva Viscaya and Quirino provinces in Northern Luzon. Three team members covered the solid waste sites and coastal resource sites of CRMP and EcoGov in Bohol Province. All the team members spent time in Cebu Province visiting LGUs with coastal resource, forest, and solid waste components. Two team members went to Davao and interviewed from a number of LGUs with forest and coastal resource management and solid waste management activities. Two team members traveled to Iloilo to interview stakeholders in a new water resources alliance. Security concerns prevented the team from traveling in Mindanao outside of Davao City so LGU representatives were invited to Davao for interviews. EcoGov Project staff members from Western Mindanao were interviewed in Cebu City.

The total Environmental Governance Program is approximately \$30,000,000. at this stage. This total is based on the project amounts provided to the Assessment Team by USAID/Philippines. Note that most are multi-year programs with some, such as the Coastal Resource Project, covering more than seven years while others are shorter term activities, such as the Integrated Water Resource Alliance which was less than a year. The amount shown for USAEP is just the FY 2004 budget. Prior year expenditures and future budgets for this ongoing, regionally funded activity were not available at the time of writing this report.

### **Philippines Environmental Governance Program**

Environmental Governance Project	\$10,499,212
Coastal Resources Management Project	10,789,707
Integrated Water Resource Alliance	101,500
Legal Assistance to Communities	450,000
Mapping the Impact of Population on Bio-diversity	n/a
Peace Corps Coastal Resources Management Initiatives	466,160
Coral Reef Conservation Initiative	3,701,282
Sustainable Cacao Extension Services for Smallholders	500,000
Sierra Madre Biodiversity Corridor Project	1,006,978
Conservation Financing	81,260
Enterprise-Base Biodiversity Conservation Project	719,012
United States - Asia Environmental Partnership (FY04)	<u>1,026,913</u>
	29,342,024
<b>Rounded Total</b>	<b>\$30,000,000</b>

## II. FINDINGS AND CONCLUSIONS

There are twelve separate projects (or activities) in the USAID Office of Environmental Programs in the Philippines. Each one was assessed and the findings and conclusions are reported in this section. In addition there is a section on cross-cutting issues and one on recommendations and lessons learned.

### A. THE PHILIPPINES ENVIRONMENTAL GOVERNANCE PROJECT

BASIC PROJECT DATA	
Contractor:	Development Alternatives Inc. (DAI)
Project number:	PCE-I-00-99-0002-00
Contract signed:	December 4, 2001
Project duration:	December 4, 2001 to November 22, 2004
Value:	\$10,499,212.00

The Environmental Governance Project has three components: coastal resources, forestry and waste management. The subjects of the three project components each have distinct technologies and methodologies associated with them but they are all closely inter-related in ecology and in the life systems of the population, just as they are closely associated in the design and implementation of the project. The Assessment Team has organized this section into three components for ease of presentation and understanding of the material, while at the same time reaffirming that USAID and the project contractor view this as one comprehensive set of problems that is being addressed with a single integrated strategy and implementation plan. The Coastal resources section is presented first because coastline and marine waters is where it all comes together. The results of man's activities on land, in the forests, on the farms, in the communities eventually all end up in the water.

#### 1. Coastal Resource Management Component

##### 1.1 Design and Targets

*The problem:* The coastal resources of the Philippines have been seriously degraded by damaging fishing techniques, harvesting/conversion of mangroves and seagrass areas, sedimentation and dynamiting on coral reefs and pollution of the watershed runoffs. There is strong interconnection between the upland forested and pasture areas, the lowland agricultural areas and coastal zones. Everything flows to the sea and what happens in the watershed is reflected in the condition of coastline and fisheries. Natural resources are historically public goods or "commons" and as a result no one is responsible for protecting and conserving the forests, the watersheds, or the coastal resources. Under traditional systems with relatively small populations everyone uses the resources and there is enough for all. For the most part the resources renewed themselves. As population density increases to the level of the Philippines today the resource base can no longer support the demand. The Government and the people understand this problem very well and the donor community has been assisting the Philippines for over 20 years with policy and institutional reform, technology development, and with the introduction of totally new approaches to managing the resources. USAID has played a major



role among donors in pioneering the concept of community-based natural resource management and in assisting the Government and local communities with policy reform and implementation programs. The USAID Eco-Governance Program statement of August 16, 2001<sup>2</sup> defines the problem very succinctly. The strategy adopted for EcoGov focuses on the key economic resource, the fish and other marine products that make an important nutritional contribution and provide a major source of income for the coastal population. For the fishing industry to survive and be rejuvenated, the resource base that supports the fish must be protected and managed carefully with sustainable management systems. The resource base includes the forest areas and the rest of the watersheds, mangroves and estuaries, the seagrass areas and coral reefs where fish and other marine life spawn and grow. The fisheries as well must then be harvested at sustainable rates to provide an economic yield into the future.

*Project design:* The project design for the CRM component addresses: 1) Over-fishing and 2) Use of destructive fishing practices. The project design states it will do this by implementing three categories of activities: 1) Policy; 2) Capacity-building; and 3) Advocacy. At the local level this means creating community-based coastal resource management plans. This is a valid design because it is at the local level that the users of the resource, those with the greatest stake in its preservation, have the strongest incentive to protect it. However, management plans alone may not be sufficient to foster permanent change if the communities are unable to implement their plans on their own.

*Targets:* The EcoGov/CRM targets summarized in the tables in Annex II-A compare Philippine Government targets as defined by NEDA and DENR with USAID's EcoGov Program targets, and with programs of the other major donors. Annex II-A is a fair presentation of what the priorities are in each category (forests, coastal resources, and solid waste, etc.) by each of the donors and by the government.

*Project targets:* The EcoGov Workplan 2003-2004 targets for the CRM component are:

Coastal LGUs with CRM MOU -	29
KM of Coastline Under Management	440.3 (revised)
Km of Coastline of LGUs with TA	512.1
Total Marine Sanctuaries Established	25

*Are targets achievable:* The project targets to be achieved by September 2004 for the CRM component would appear to be reasonable under the original project implementation schedule. However, the delayed startup of the project and the time spent redesigning the project has made the achievement of the targets more difficult. Doing a proper job of resource analysis and preparing a community plan takes time and it is not beneficial to rush through the process. The Assessment Team believes that the project will be able to achieve these targets, although perhaps not all of the criteria in each LGU will be fully verified.

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<sup>2</sup> USAID-Development Activity Approval Document, ECO-GOVERNANCE PROGRAM, etc, August 2001

## 1.2 Implementation Effectiveness and Deliverables

*Progress:* The project has achieved the following as of May 2003

Coastal LGUs with CRM MOU-	18
KM of Coastline Under Management-	
KM of Coastline of LGUs with TA-	546
Total Marine Sanctuaries with MOU	21
Total LGU budget commitment	1,085,170 pesos

*Effectiveness:* The Project is very effective with respect to reaching coastal communities with technical assistance and training in coastal resource planning. It is a major accomplishment to get commitments from this many LGUs and to introduce them to the planning process in this short period of time. It remains to be determined whether the Project will be effective in establishing viable management systems that actually bring mangroves under protection and rehabilitation and create marine sanctuaries that survive and increase the amount of fish available. The true effectiveness of this Project will only be determined when the results of its work are assessed after the project is completed.

## 1.3 Possibilities for Improvement

The methodologies of developing Community Resource Plans are reasonably well refined at this stage. Marine sanctuary technologies have also been proven in CRMP in recent years. The only improvement in project approach that might be considered would be creating a system for utilizing intermediate service providers to a greater degree in training and technical assistance to LGUs and communities in order to start a larger number of sites. Creating a system for wholesaling the CRM approach rather than retailing it without losing quality is worth considering for EcoGov.

*From planning to implementation:* The project focuses on creation of LGU and community resource management plans. There are no provisions for assisting with implementation except for the 25 marine sanctuaries scheduled during this phase of the project. If EcoGov is not extended to a second phase it is not clear that all the communities with newly formed plans are well enough prepared to move on to implementation. Some may well be able to do so, particularly the larger and stronger municipalities, but that would not be large number.

*Financing and budgeting:* Each CRM community is required to have a budget line item for CRM. Some LGUs have fees for fishermen, scuba divers and snorkelers to help supplement their budget for maintaining sanctuaries and operating patrol boats and other functions. Unless it is a fairly affluent community, self-generating income means are very limited. Once the fish harvest increases to a higher level, increased revenues from fees are possible. Some of the communities visited by the Assessment Team were unable to finance patrol boats on their own and were looking for grant assistance to help them.

## 2. Forest Management Component

### 2.1 Contract Design and Targets

*The problem:* The forest management component of the EcoGov Project comprises a number of different interventions that are intended to combat the ever-declining forest cover in the Philippines. Over 100 000 hectares of forest cover are lost each year and the Eco-Gov Project hopes to be able to provide communities and LGUs with the knowledge and skills with which to try to halt this decline. Providing the LGUs with a properly prepared and financed *Forest Land Use Plan* would be a major contribution to the management and safekeeping of this valuable natural resource. Placing natural resource under the stewardship of the direct beneficiaries – the local inhabitants of the area – the theory says, should mean a higher probability that these resources are better conserved and protected.

*The project design:* The context of the forestry component of the EcoGov Project is to: “...in close consultation with GOP officials and stakeholders and carried out through a combination of policy analysis, training and technical assistance, and coalition building to address an issue that will help achieve greater developmental impact and sustainability of conservation efforts. *Thus*

Address reduction in illegal logging and conversion of natural forests by

- a) carrying out an analysis of priority policies that are needed for reforms and strengthen implementation;
- b) supporting coalition building and advocacy;
- c) helping LGUs and communities reduce illegal logging and conversion of natural forests.

The concentration of effort of the forestry intervention would be 35% of the whole Eco-Gov Project, of which 60% would be in Mindanao, 25% in Central Visayas and 15% in Northern Luzon. The target of hectares of forest cover maintained, set by the Project, are shown in Table A-1 below.

TABLE A-1 Forest Component Targets				
	Mindano	Central Visayas	Northern Luzon	Total ha
▶ Workplan 2003/2004				100,000
▶ Forest cover of LGUs with completed FLUPS	12,718			12,718
▶ Target FLUPS	9	11	8	28
▶ Target for 2003 (revised)	3	0	0	0
▶ #LGU with on-going FLUPS				
▶ Forest converted by on-going FLUP	82,522	31,440	259,984	473,946

Source: *Summary of Terms of Reference of Development Alternatives, Inc. as the contractor of the Philippines Environmental Governance Program (Eco-Gov).*

### Is project design sound?

The design of the project is basically sound in its objective of providing assistance to communities in creating Community-based Management Plans, whether its coastal, forest or solid waste. However, in development practice planning alone is not a guarantee that implementation will follow. The concept is that once the community goes through the comprehensive analysis and planning process, it will be prepared to deal with the implementation on its own with own organizations solving problems, accessing technical and other assistance from central government and the NGO community and others. This development theory has a history in some parts of the world but the Assessment Team did not find examples of it in the Philippines. In those places where a planning-driven project has succeeded, there was usually an established support system for technology transfer, input supply, financing for needed investments, training and networking. The planning process then is used to catalyze the community into a cohesive and highly motivated unit.

It is not clear these factors of success are available in the locations where EcoGov is operating. Many of the beneficiaries in the communities visited by the Assessment Team were concerned with how they will go about managing what they have planned (or are in the process of planning), whether it is coastal resources, forests or solid waste. The natural resource projects of the Philippines over the past 20 years have generally included both planning and implementation in an integrated approach of policy and institutional reform, human resource development, community organizing, on-going technology transfer, extensive training and other strengthening elements. The current design only provides project interventions up to the final preparation of the Forest Land Use Plan (FLUP) or the solid waste or coastal resource management plan. In the Filipino culture (probably in all cultures) there is a desire by people to be involved at all stages, but the commitment to involvement is reduced if they do not understand how they are going to achieve what the planning defines as their objective. There is a real danger of creating a frustration from rising expectations that go unfulfilled. If there is no support system where communities can turn for assistance, the commitment and momentum created by the planning could fade away quickly.

*National targets:* The Project's targets for community-based forestry are consistent Government policy and the national targets as set out in the *Mid-Term Development Plan* to develop and manage 5.5 million hectares of forest.

*USAID targets:* The Project's targets have been set within the context of the overall OEM/USAID Manila Strategic Objectives #4 (SO4).

***Project targets:*** The project expects to achieve:

LGUs with Forest and Forest Management Plans:	30
Hectares of Forest Cover brought under community management under 2003/04 workplan	100,000
Ha Forest Cover with an LGU completed FLUP	12,718
No. of FLUPS in 2003/04 plan	28
No. of FLUPS in 2003 revised annual target	3
No. of LGUs with ongoing FLUP	21
Forestland covered by ongoing FLUP	473,946

**Are targets achievable:** The targets set for the Project are probably ambitious given the time that now remains in the current project plan. With the delays in the Project start-up during the first 6 to 8 months of 2002, considerable time and impetus was lost at the crucial initial stage of Project implementation. The contractor has recovered remarkably and the implementation rate seems to be gaining momentum monthly. There is a serious concern though about the impending national elections 2004. Elections in the Philippines tend to consume all activity and leadership attention at the LGU level.

## 2.2 Implementation Effectiveness and Deliverables

**Progress:** Progress to date has been hampered by the delay in Project start-up and thus the on-time achievement of targets is questionable. It will be “a race to the finish” as one Project staff member stated. Table A.2 below shows the current progress status. As can be seen from the table, only in Mindanao, the region where the project first began field implementation, has there been any significant progress to date.

**Will project objectives be met:** It is with high optimism that the Project Team believes that the targets will be met. However, as stated above, the LGUs know that no assistance will be forthcoming from the Project for the implementation of the prepared plans. They may not be willing or able to maintain the initial impetus for completion of all plans. Although many of the *Memoranda of Agreement* were signed between the Project and the cooperating LGUs in late 2002, the actual commencement of training and planning activities has been within the third quarter of 2003. In Mindanao preparations began in the first LGU in September 2002 and the second LGU in February 2003 – these late starts may prevent the full completion of the targeted results.

**TABLE A-2**  
**Progress Towards Implementation of Forest Land Management Targets (as of 9/03)**

Steps	Duration of process (months)	Number of LGUs			
		Mindanao	Central Visayas	Northern Luzon	Total
Memorandum of Agreement and commitment of counterpart funding		8	11	8	27 <sup>9</sup>
1 FLUP orientation	0.5	8	11	7	30
2 Social preparation & profiling mapping	2	Thematic mapping various stages of completion in 11 LGUs	Thematic mapping completed In 6 LGUs	?	11
3 Situational analysis	1	1	11	?	12

Steps	Duration of process (months)	Number of LGUs			
		Mindanao	Central Visayas	Northern Luzon	Total
4 Cross visit	0.5	1	On-going in 11	On-going in 6	1
5 Validation assessment of forest & forest land status – baseline on “hot-spots”	-	8	On-going in 11	On-going in 6	8
5 Stakeholder consensus on land allocation and sub-watershed prioritization	2	8	0	0	8
6 Legitimization & approval of <i>Municipal Land Use Plan</i> (MLUP)	-	1	0	0	1
6 Approval by DENR	1.25	1	0	0	1
7 Action planning for implementation of MLUP	0.75	1	0	0	1
Totals	8 months				

Source: Eco-Gov Project, Progress reports as of August 2003.

*Effectiveness:* The EcoGov Project works directly with LGUs and local communities in keeping with the national policy of devolving responsibility for natural resource management to the local level. The project coordinates and collaborates with the DENR provincial and municipal offices but it does work through the DENR central office. This new arrangement is a departure from past procedures and has required adjustments by the contractor and the DENR. There is a Project Management Office in DENR with the sole function of monitoring and evaluation. That is a useful function and provides the DENR a linkage to field activities. The policy function of the Project also collaborates with the DENR on current policy and provides analytical assistance on select subjects. This is an effective use of resources for policy and institutional reform objectives. At the LGU level generally good cooperation exists between the Project and DENR staffs, contributing importantly to project effectiveness.

The process of identification, selection and recruitment of Local Service Providers (LSP) has been a rather protracted process and thus the Project has on occasion had to use its own core staff to conduct training and as a consequence this has taken longer than was anticipated. The slowness of the recruitment and contracting procedures for LSPs suggests the Project staff might study ways to modify how things are done in order speed up the process to keep activities moving at a reasonable pace.

## 2.3 Possibilities for Improvement

Greater emphasis in the future FLUPs should be placed on the provision of “alternative livelihoods” for forest dwellers if they are to have the ability for sufficient income to stop “plundering” the forests.

The geo-physical targets should be replaced with the numbers supplied in approved natural resource management plans – whether these are FLUPs or Multiple Forest Land Use Plans

(MFLUPs). The measure of success must be the numbers of plans that are well prepared, address the correctly identified needs and have realistic budgets committed for their implementation.

The contracts of the LSPs require more flexibility and possibly a longer duration. If the working groups tasked with plan preparation are to receive assistance, more in-depth involvement of the LSPs is required. There would be distinct advantage in the Project undertaking a staff review to determine the actual required staffing levels in order to accomplish all project objectives and targets.

As currently planned, technical advice to the LGUs after completion of their plans, during mobilization and implementation, will fall primarily on the shoulders DENR and other agencies with field staffs. It is important therefore that the Project staff works closely with DENR at all levels to be certain that the DENR has a stake in the final "ownership" of the plans and is willing to be fully involved and assist with effective implementation.

## **2.4 Sustainability**

If the LGUs and the other partners – NGOs, POs and forest dwellers – have learned to produce FLUPs as a group effort and FLUPs that contain the wishes and expectations of all the partner groups, then this should ensure that future planning at the local level will include all interested parties and the Project interventions will be sustainable. Further if the plans that will be the “end-product” of the Project’s work are implemented, then there will be a possibility of continued sustainability.

## **3. Solid-Waste Management Component**

### **3.1 Design and Targets**

**The problem:** Population growth and increasing consumerism are accelerating the generation of solid, toxic and hazardous wastes. Only a portion is collected and that is generally taken to open dumps. There are only three sanitary landfills in the country. Uncollected wastes remain rotting in streets and vacant lots, or dumped in rivers and creeks. Improper disposal contaminates the soil, threatens the integrity of groundwater and create vector and water borne health risks.

All city and municipal officials the Assessment Team interviewed confirmed they consider garbage as one of their top environmental priorities. They are also driven by very ambitious requirements for the closing of all dumps mandated in the Ecological Solid Waste Management Act of 2000.

**Project design:** The Eco-Gov Project solid waste management component is designed to build local government capacity to implement the Solid Waste Management Act and its Implementing Regulations (IRRs) through training provided in 8 modules:

- ▶ Establishment (or reconstitution) of a local Solid Waste Management Board
- ▶ Appraisal of current waste and practices including “waste characterization”
- ▶ Analysis of waste management options including legal and economic factors
- ▶ Study tour (cross-visits to other sites in the Philippines)

- ▶ Formulation of a 10-Year Integrated Solid Waste Management Plan
- ▶ Implementation Planning and Capacity Building
- ▶ Preparation of an Ordinance for the Integrated Solid Waste Management Plan
- ▶ Review and development of procurement and contracting systems

The training modules initially are offered in selected LGU “learning sites” with a cluster of LGUs. DAI technical specialists and local service providers (LSPs) jointly organize the training and walk participants through the various steps. Outputs are then reviewed with Technical Working Groups (TWGs). After completion of a module, the other LGUs in the cluster - other than the host “learning site” - then become practicums for the local service providers. Hosting of subsequent modules is rotated among members of the cluster.

DAI technical specialists and local service providers are to provide technical guidance, coaching and mentoring to participants to ensure that the outputs of the training modules result in “doable, implementable and acceptable Integrated Solid Waste Management Plans” along with plans for procurement and implementation.

*Is Project design sound?* The Project is not designed to provide assistance to LGUs with implementation beyond development and approval of their of their solid waste management and procurement plans. Since only one plan has been completed and none of the participating LGUs have yet gotten to the implementation planning and capacity building modules, it is too early to tell if the plans and the level of training participants will be getting through the Project will be sufficient for them to continue on their own after the Project is complete. Plans and implementation, however, are a lot about process and the work that has been completed in establishing more broadly representative local solid waste management boards and technical working groups should be a good base for continuing improvement of solid waste management.

*National Targets:* The Ecological Solid Waste Management Act, passed in January 2000, established a National Solid Waste Management Commission and calls for establishment of Provincial, City, and Municipal Solid Waste Management Boards. It mandates development of local government solid waste management plans and conversion of open dumps to “controlled dumps” within three years (2004) which then have to be closed (and converted to sanitary landfills) within five years (2006). The Act further provides that within those five years, LGUs should divert 25% of their waste stream from landfills through recycling, composting and other resource recovery

*USAID Targets:* The August 2001 USAID Grant Agreement which defines the Strategic Objective framework for the Environmental Governance Program includes support for implementation of the Solid Waste Management Act and sets an illustrative program target (for 2004) of at least 15 LGUs diverting 15% of waste stream from disposal facilities through waste recovery and recycling techniques. The May 2002 MOU set the illustrative target (for 2006) to 100 municipalities (there are a total of 1500 municipalities in the Philippines) and refined anticipated outcomes to include:

- ▶ best waste management practices adopted, institutionalized, including management of hazardous and toxic waste;
- ▶ new integrated solid waste management procurement procedures followed; and
- ▶ LGU financing for solid waste infrastructure strengthened



*Project targets:* The Eco-Gov *Project* managed by DAI has a target of 42 LGUs diverting 15% of their waste streams by project end in 2004 - an intermediate step toward the Eco-Gov *Program* target of 100 municipalities by 2006.

*Are targets achievable?* Many informants, off the record, said that the requirements of the Solid Waste Act for closure of dumps and diversion of 25% of waste streams by 2006 is beyond the capacity and financial resources of most LGUs, particularly the smaller ones in forest and coastal zones where USAID's Eco-Governance Program is focused. Even the modest capital investments and operating expense budgets that will be required to convert open dumps to "controlled dumps" by 2004 will be beyond the means of many LGUs. The Act provides for a Solid Waste Management Fund, but no budget appropriation has been made.

Nevertheless, the pressure that the Act puts on LGUs is clearly generating attention and action that the solid waste problem otherwise might not have received.

USAID's target of helping LGUs divert at least 15% of their waste streams, though also a stretch, realistically focuses on immediate steps that can be taken to improve waste management and helps reduce volumes to be disposed.

### **3.2 Implementation Effectiveness and Deliverables**

*Progress:* As of August 2003, the Project has Memoranda of Agreement and commitments of counterpart funding with 38 LGUs<sup>3</sup> for participation in an 8 module program of project assistance leading to completion of 10 year Integrated Solid Waste Management Plans and beginning steps toward implementation of those plans and diversion of waste streams.

Local Solid Waste Management Boards have been established or reconstituted with Eco-Gov Project assistance in the majority of these LGUs. This is key in building transparent, accountable, participatory (TAP) management systems - an important principle in the Eco-Gov Program and in the development of good local governance. Some of these Boards had been established early in response to the Solid Waste Management Act, but membership was largely public sector. The Eco-Gov Project has emphasized the importance of private sector, NGO and community representation and has helped LGUs reconstitute their Boards, orient members, set up Technical Working Groups and develop procedural protocols.

More than half of the LGUs have moved on to the second module in the Eco-Gov Project methodology: assessment of current waste management practices and a seven day "waste characterization" where samples of garbage from representative sources are sorted and weighed. Results help determine the volume and composition of waste generated in the community and provide a baseline and for assessing options.

While progress is being made, only a few LGUs have begun to assess options (all in Mindanao) and only one has gotten as far as preparation of an Integrated Solid Waste Plan (Tacurong City in Region 12, Central Mindanao). Organization of the "waste characterizations" and processing of results appears, in some cases, to be taking longer than expected.

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<sup>3</sup> The Eco-Gov Project Office reports 22 MOUs signed with LGUs for solid waste management assistance in the Central Visayas Region and 44 total. Field Reports through August 2003 from the Eco-Gov Central Visayas Regional Office, however, only show 16 solid waste management MOUs which would give a total for all Regions of 38, not 44.

Table A summarizes progress in implementation of the 8 modules in the solid waste management component of the Eco-Gov Project. The earliest of the modules were started in Mindanao between September and December 2002. Those in Central Visayas were started between November 2002 and June 2003. Those in Northern Luzon were started between May and August 2003. Thus, all are still in very early stages. The DAI workplan includes estimated timeframes for each module which for the full set assuming each was undertaken sequentially would require about a year to complete.

At the pace outlined in the work-plan, the first LGUs that started in October and November 2002 should have completed their solid waste management plans and should be nearing completion of the 8 track implementation planning and capacity building modules as of October 2003. Only one, reportedly, has completed its plan by this date and has the implementation of the capacity building module is in an early stage.

*Will Project objectives be met?* DAI staff are confident that they will be able to complete all modules in all current LGUs within the year remaining on the Project. As technical specialists, local service providers, local solid waste management boards and technical working groups all get through early modules and work out the kinks in organization, subsequent modules should move faster. On the other hand, the run up to local and national elections in May 2004 and the potential for leadership changes in some localities will undoubtedly slow progress. Completion of all Project modules will not necessarily mean that the Project Target of 42 LGUs diverting at least 15% of their waste stream will be met. Meeting the target will depend on actual implementation of plans.

**TABLE A-3**  
**Implementation of Eco-Gov Project Solid Waste Management Training Modules**  
**Progress as of August, 2003**

Steps	Time needed (months)	Number of LGUs			
		Mindanao	Central Visayas	Northern Luzon	Total
Memorandum of Agreement and commitment of counterpart funding		11	16	11	38
1 Establishment (or reconstitution) of Solid Waste Management Board	1	8	15	7	29+
2 Solid waste assessment (with waste characterization and baseline data)	1	8	14	2a & 2b completed in 3 LGUs	18+
3 Analysis of options	1	1 complete workshops in 3 others			1+
4 Study tour (cross-visit)	3 weeks	?	?	?	?
5 10-Year Integrated Solid Waste Management Plan	2	1			1

Steps	Time needed (months)	Number of LGUs			
		Mindanao	Central Visayas	Northern Luzon	Total
6 Implementation Planning and Capacity Building - 8 tracks	1 week each track				
7 Ordinance for Integrated Solid Waste Management Plan	2				
8 Procurement and Contracting System	2				
<b>Target:</b> Diversion in at least 15 LGUs of at least 15% of their waste stream					

*Effectiveness:* A project monitoring team of the Department of Environment and Natural Resources (DENR) Eco-Gov Project Management Office (PMO) recently completed a field review of Eco-Gov activities with LGUs in Northern Luzon. Their review of the solid waste component appears to have been thorough and their findings are generally consistent with the Assessment Team's own observations and discussions in that Region.

Their preliminary findings include:<sup>4</sup>

1. Solid Waste Management Boards formed are functional.
2. Coordination between the Eco-Gov TA team and the DENR is satisfactory.
3. Coordination with the Provincial Government (N.V.) is not sufficient.
4. Project Implementation Plan of Quirino, schedule is slightly delayed.
5. CASCADE (EU funded project) complements EcoGov's activities.
6. The lack of local market for recyclable materials is a main concern in Quirino.
7. Eco-Gov has developed a primer for communities on Waste Characterization
8. San Jose City decided to forego assistance to focus on rehabilitation work.
9. The 15% waste diversion goal is achievable within the project life.
10. The Provincial solid waste management team leader was transferred to EcoGov.
11. The EcoGov team is perceived thinly spread.
12. There are insufficient funds from DENR and LGU to finance traveling expenses
13. All barangays in Solano municipality have already formed their SWM Boards.
14. Awareness of the people about the RA 9003 is only 10-20%.
15. Data analysis from the waste characterization was not done immediately

They also noted that frequent changes in DENR staff could affect the sustainability of the project and that DENR staff were not getting needed training.

Their finding #3, that coordination with the Provincial Government is not as good as it should be, was confirmed in the team's meeting with the Governor. His concerns related more directly to the Forestry component of EcoGov, but the solid waste team would do well to keep his senior staff informed and involved in what they are doing.

<sup>4</sup> Debriefing September 23 with the Northern Luzon Monitoring Team of the DENR, Project Management Office.

Their finding #11, “the Eco-Gov team is perceived thinly spread” bears follow-up. Staffing of the EcoGov Regional Office in Solano appears to be about the same as those of other Project Offices.

Their finding #12, regarding funding for travel is a broader cross-cutting question bearing on all DENR activities.

While this review by DENR was limited to Northern Luzon, the findings appear consistent with the Assessment Team’s observations and discussions in other regions visited.

### **3.3 Possibilities for Improvement**

*Waste characterization:* At this point, a sufficient number of waste characterizations have been completed (14) in a variety of different locales that it may not be necessary to do full studies with all of the remaining LGUs, and it may be reasonable to use that data to extrapolate volume and composition of waste for LGUs with similar general characteristics. While there is a value to the team building and community involvement that sometimes grows out of a waste characterization exercise, completing them and analyzing the data may be slowing things down unnecessarily.

*Assessment of options:* Similarly, assessing the options might go more quickly and with more consistent quality if there were a base set of analyses and options to consider and adapt from, rather than developing each assessment from scratch with each LGU. Eco-Gov could consider developing 3 or 4 typical situations (e.g. rural upland LGU; rural coastal LGU; small town; larger town) then for each situation build a profile of current practices and waste based on studies and characterizations done so far and with that info build the outlines of possible options along with costing and financing models for each option. LGUs could then review and modify to their own particular cases. This would allow for more input from, for example, finance and engineering specialists that may not be possible to provide for every LGU and could save time. LGUs would probably better spend their time on the difficult choices they will have to make and reaching consensus on their Solid Waste Management Plan.

*Capacity building:* The Project assistance module for Implementation Planning and Capacity Building (see section 1 and Table A above) has 8 tracks:

- ▶ establishment of materials recovery and composting facilities
- ▶ waste collection and transport
- ▶ communications and social marketing
- ▶ organizational development
- ▶ budgeting and finance
- ▶ policy and enforcement
- ▶ monitoring and evaluation

The Solid Waste Management Association of the Philippines (SWAPP), with support from the US-Asia Environmental Partnership (USAEP) has prepared and published a six volume set of training manuals with a very similar organization to that planned for the Eco-Gov Project:

- ▶ an overall orientation on ecological solid waste management
- ▶ barangay planning and budgeting for solid waste management

- ▶ improving solid waste collection and transport
- ▶ establishment and operations of a materials recovery facility
- ▶ design of solid waste management facilities
- ▶ improving communication and education skills for solid waste management

Each manual is designed workbook style to facilitate training of trainers. The Eco-Gov Project Team should review these manuals to see if some of them meet project needs rather than developing new materials. Eco-Gov might also consider collaboration with SWAPP on support for Project's Local Service Providers.

### **3.4 Sustainability**

*Moving from planning to implementation:* Whether LGUs will be able to continue on with implementation once planning is complete and the current project ends, is open to question. Some may well be able to do so, particularly the larger and stronger municipalities. Others, particularly the smaller more rural municipalities, may not. All would likely benefit from some ongoing forum where Solid Waste Management Boards and Technical Working Groups could share experience and get technical help with the inevitable problems they will run into during implementation.

*Financing and budgeting:* Some capital investment and operating budget will be needed for even the most modest solid waste management improvements. These will include:

- ▶ Receptacles to encourage segregation, more trucks and arrangements to collect segregated waste, Materials Recovery Facilities (MRFs) - locales where waste can be sorted and stored for pickup for recycling - will be needed and will have to be staffed to meet diversion goals.
- ▶ Access road improvements, fencing and a light bulldozer or truck with a plow to regularly cover over garbage with dirt (to keep down flies and minimize blowing debris) will be needed to meet minimum requirements of the Solid Waste Management Act to convert all open dumps to "controlled dumps" by 2004 along with staff to maintain the dump and operate the bulldozer.
- ▶ More significant engineering, capital investments and operating budgets will be needed for the sanitary landfills to meet the Act requirements to close all open dumps by 2006.

The first of the Integrated Solid Waste Plans completed through the EcoGov Project (Tacurong in Central Mindanao) is thorough, but more work will be needed on specific operating budgets, capital investments and cost recovery. EcoGov should consider using short-term expertise in municipal budgeting and banking to help structure model budget and financing options.

*Development of specific investment proposals:* Beyond development of the LGU solid waste management plans, some "packaging" will be necessary for the more significant investments. This will include site planning details, and plans for facilities that have to be constructed, soils tests and engineering for landfills, legal work and environmental certifications and careful analyses of projected costs, operating expenses and income from tipping fees or sale of

recyclables. For small projects, the cost of this “packaging” can sometimes be beyond the means of a small municipal government. Assistance from USAID or other donors may be needed.

#### **4. Contributions to Policy Development and Institutional Reform**

The initial policy goals for EcoGov include analysis of priority policies that are needed for reforms to address over-fishing and the use of destructive fishing techniques such as dynamite, cyanide, and small web nets. The policy component is addressing those by developing a model municipal fishing code and ordinance for CRM planning and model agreements for LGUs to co-manage coastal areas with DENR. EcoGov policy analysts also are working on the formulation of a National Marine Policy framework.

The project has provided assistance and support to DENR in passage of the Sustainable Forest Management Act and the Implementing Rules and Regulations. In addition the project is charged with working on policies to improve private sector incentives, removing unnecessary regulations and environmental governance in those communities Community based Forest Management projects. The revised EcoGov Work-plan increased the scope of policy analysis to include number of other topics of importance to environmental governance. This includes contract instruments for LGUs that are implementing resource management plans.

Table A-4 below lays out the activities and status of the Policy and Institutional Strengthening Initiatives of Eco-Gov in Coastal Resources, Forestry and Solid-Waste components. The Project has increased its attention to policy issues has stepped up collaboration with DENR and other government agencies. Drawing on the expertise of the use of “centers of excellence” at Silliman and University of the Philippines and other institutions significantly strengthens the capacity of EcoGov to address policy issues.

**TABLE A-4**  
**EcoGov Project Key Policy and Institutional Support Initiatives**

<b>Sector/Initiative</b>	<b>Status</b>
<b>A. Coastal Resources Management (CRM)</b>	
1. Template or model municipal fishery code and ordinances to support CRM planning and implementation	Work in progress. Drafting of template CRM comprehensive ordinance has commenced after review done of relevant policies and sample LGU ordinances.
2. Template of co-management agreement between LGU and community organizations for the protection and management of municipal waters and MPAs; template for the co-management by DENR and LGU of mangrove forests, foreshore areas and of MPAs in NIPAs areas,	Work in progress. This is part of the CRM Policy Sub-Contract to the Legal Environmental Advocacy Program of the Silliman University; initial report to be submitted in November, final report in December.
3. Analysis and recommendations for the formulation of the National Marine Policy Framework	Dr. Malayang, as member of the Technical and Advisory Panel for the Preparation of the NMPF, provided inputs to the preparation of document. EcoGov expects to review and comment on the draft document.

Sector/Initiative	Status
4. Analysis and recommendations for refining the key provisions of DAO 17	An Aide Memoir, which includes a set of analysis and recommendations, was prepared by EcoGov and discussed with DENR (PMO, PPSO and CMMO) officials. The revocation of DAO 17 by the DENR Secretary made this Aide Memoir obsolete.
5. Recommendations for improving the governance provisions in RA 8550 (Philippine Fisheries Code)	Work in progress. This is part of the CRM Policy Sub-Contract to the Legal Environmental Advocacy Program of the Silliman University; initial report to be submitted in November, final report in December.
<b>B. Forests and Forestlands Management (FFM)</b>	
1. Draft of an Executive Order on Sustainable Forest Policy ready for endorsement by DENR to the Office of the President.	Draft being finalized based on the results of the Policy Technical Working Group review. (The EO is viewed as an interim measure to update the country's forest policy while the Sustainable Forest Management Act is pending in Congress.)
2. Manual on simplified implementation of forestry regulatory procedures, including analysis and recommendations for improving and simplifying CBFM operational policies.	Work in progress. Study sub-contracted to UP Los Banos Forestry Development Center. Initial draft subjected to an in-house review by EcoGov TA and DENR-FMB counterparts; regional consultations being arranged. Final draft of manual to be submitted in January 2004.
3. Joint DENR-DILG Implementing Rules and Regulations (IRR) for implementing co-management of forests and forest lands by DENR and LGU	<p>Joint Memo Circular 2003-01 (which serves as IRR) was signed by DENR and DILG Secretaries on 7 May 2003. EcoGov is preparing the primer on this so it can be disseminated nationwide. (Co-management of critical watersheds will be implemented in several EcoGov sites.)</p> <p>The Memo of Cooperation among identified member institutions, which will operationalize JMC 2003-01 will be signed during the first meeting of the National Steering Committee on October 6.</p> <p>Specifically for Nueva Vizcaya (which pioneered the DENR-LGU co-management agreement), support was provided in the drafting of DENR Memo Order recognizing the province's Tree for Legacy and authorizing DENR field officials to issue the appropriate permits for the harvesting, cutting and transport of product under the program. The Memo Order was signed by the DENR Secretary last Sept 12, 2003 and was formally launched by DENR USEC Metin and the Nueva Vizcaya Governor last Sept 26. Further support to be provided by EcoGov: drafting of Terms of Reference for prospective investors in the co-managed areas and conduct of investors forum.</p>
4. Guidebook on allocation and tenure instruments in public forests and forestlands for municipal forest land use planning and coastal resource management planning	<p>This provides a general summary and analysis of various tenure/land allocation arrangements, with a compilation of samples of tenure instruments. Draft reviewed by DENR. It is being enhanced by the inclusion of tenure instruments for the coastal zone.</p> <p>A supplementary material (primer on commonly issued tenure instruments for forests and forestlands) has been prepared for use in training on forest land use planning.</p>

Sector/Initiative	Status
5. Analysis and recommendations for overcoming constraints and promoting market-oriented forest and high-value crops plantations.	<p>Three studies have been done by short-term consultants in relation to this:</p> <ul style="list-style-type: none"> <li>a) Tree Plantations for CBFM Development (Bob Ellis)</li> <li>b) The Potential Role of Agroforestry in CBFM Areas (John Bowman)</li> <li>c) Encouraging the Development and Attracting Investments in Tree Plantations: A Brief (Leonardo Angeles) – final draft for submission on Oct 3</li> </ul> <p>The completed reports have been distributed to EcoGov consultants and submitted to DENR-PMO for review.</p> <p>Upon completion of third study, EcoGov intends to hold a workshop for the integration of the recommendations in the three studies and the identification of the needed policy support/instruments.</p>
6. Endorsement to the ARMM Regional Legislative Assembly of the proposed ARMM Sustainable Forest Management Act (RSFMA)	RSFMA draft was completed under sub-contract with King Faisal Center for Islamic, Arabic and Asian Studies of the Mindanao State University. The bill has been filed with the Regional Legislative Assembly (RLA). ARMM-wide consultations are scheduled within October. These will be spearheaded by the RLA with some staff support from EcoGov Central Mindanao.
<b>C. Integrated Solid Waste Management (ISWM)</b>	
1. Implementing rules and regulations for the joint DENR-LGU identification, assessment, and endorsement of proposed land fill sites	Work in progress.
2. Analysis and recommendations for improving the TAP provisions, and economic incentives of the IRR of the Solid Waste Management Act (RA 9003)	To be prepared.
3. Template agreement/contract between an LGU and operators of Materials Recovery Facility (MRF) for ratification by LMP.	Work in progress. Sample contracts/agreements on MRFs secured from the DENR and the League of Municipalities in the Philippines (LMP) are being enhanced with governance provisions.
4. Analysis and recommendations on strategy and approaches for effective clustering of LGUs to achieve efficient solid waste management; and on standards, service fees, and charges for the operation of MRFs and landfill sites.	Work in progress. Short-term consultant presently working on guidelines for clustering of LGUs
<b>D. Other Initiatives</b>	
1. Training of DENR Field and Central Office officials on environmental governance, highlighting Transparency, Accountability and Participatory (TAP) principles	Completed. A series of training sessions (5 batches) was conducted in Luzon, Visayas and Mindanao. A total of 463 field officials (Regional Executive Directors, Regional Technical Directors, PENROs and CENROs) and 221 central office senior officers completed the environmental governance course. EcoGov senior consultants served as resource persons for the training.



Sector/initiative	Status
2. Training of DENR lawyers on conflict resolution, both formal and paralegal methods	Using training needs assessment, training design on this has been developed and finalized with DENR counterparts. The training will be held in October 2003. Resource persons will come from EcoGov TA Team, Dept of Justice, and National Bureau of Investigation..
3. Strengthen due diligence system in DENR	Primer on Due Diligence prepared for DENR containing a due diligence checklist. A Department Order is being drafted for the formal adoption of due diligence within DENR.
4. Environmental Governance Index for LGUs developed, tested, and applied in LGUs participating with EcoGov	Work in progress. The LGU index has been completed and presented to DENR. Preparations are underway for the testing of the index in selected EcoGov LGUs within October.
5. Environmental governance index for DENR developed, tested, and carried out at provincial and community offices of DENR	Work in progress. The initial concept of the DENR index has been developed from the results of the Environmental Governance training of DENR

### 5. *Timeliness and Effective Use of Resources of EcoGov*

The Project had a very slow start with some major changes in project managers and a request by USAID for a redesign. This caused delays in assignment of staff and startup of field operations, leaving the project 8 to 10 months behind schedule. This placed enormous pressure on the EcoGov Team to begin work on the original plan and at the same time rewrite and redesign the whole thrust of the Project. As a result much of the original work was delayed. Since the middle of 2002 the overall management of the Project has been both professional and highly effective, the team works well together and there is efficient use of resources.

Use of *Local Service Providers* (LSP), both individuals and institutions such as universities, for much of the training has required considerable amounts of administrative work in tendering, selection and contract negotiation and signing. It appears that the use of LSP was not in the original project design and the Project appears to have encountered problems with delivery of quality training. Apparently there is a scarcity of qualified trainers among LSPs.

A large staff of 78 persons and the use of Local Service Providers would seem to provide the Project with an ample staffing level. Because Project sites are scattered across Mindanao, the Visayas and Northern Luzon, considerable travel is required by many of the Project staff. Operations of the Project would appear to be done with an effective use of resources from the Project as well as partners.

### 6. *Conclusions and Recommendations*

The Assessment Team concludes that EcoGov Project is responding to the Strategic Objectives of USAID Manila. Protecting and conserving the natural resource base of the Philippines for the productive use of the population is an important goal. It is consistent with Philippine national policy and development objectives and is line with DENR objectives. Coastal Resources, Forestry and Solid Waste Management are appropriate priority components for inclusion in the EcoGov program. In addition the Assessment Team believes USAID could consider the addition of other important natural resource topics as strategic objectives. Clean water, sanitary sewage

disposal, watershed planning, family planning and alternative income generation are all logical and appropriate subjects for inclusion in a strategy of addressing resource preservation at the community level. The Team's interviews revealed a keen interest in these subjects and the literature on environment and natural resource management supports the need.

The solid waste component of the Eco-Gov Project is important and is making good progress, but work with the LGUs started only a year ago and it will be a challenge to complete all project assistance modules with all participating LGUs before the project ends in December 2004. Some extension may be needed though the Project Team is diligent and is confident that work can be completed on schedule.

Completion of all Project modules will not necessarily mean that the Project Target of 42 LGUs diverting at least 15% of their waste stream will be met. Meeting the target will depend on implementation of plans, and Project design does not include assistance with implementation. Subsequent assistance with implementation to at least some of the participating LGUs should be considered.

There are possible efficiencies in the waste characterization, assessment of options and capacity building stages of the Project that should be considered.

Some assistance to LGUs will likely be needed either through this Project or other projects with development of operating budgets, financing, cost-recovery and in some cases site planning and design for the specific LGU investments in segregation, collection, materials recovery, recycling, control of dumps and eventually sanitary landfills that will be necessary if the requirements of the Solid Waste Act and the targets of the Solid Waste component of the Eco-Governance Project are to be met.

In general, project implementation by the contract team, now clear of the initial delays, is efficient and effective in delivering support to the LGUs and communities. The decentralized regional approach under team leaders is the correct mode for this type of project. The major concern of the Assessment Team is that the Project had a relatively short time frame to begin with, a delayed startup, a pause to redesign and, therefore, is already into its last year without knowledge of whether it will be extended. This means that at the end of September 2004 when the Project currently would conclude there will be a substantial number of Municipalities with community-based resource plans and solid-waste disposal plans, however, very few Municipalities will be engaged in implementation, particularly in the solid-waste and coastal resource activities because they will need additional technical and financial assistance. Experience has shown that community-managed projects, whatever the subject, require considerable time to establish and reach a stage of mature operation. It is no doubt more the case with natural resource projects and those that require new technologies and financing. The Coastal Resource Management Project (discussed in the next section) with a seven-year time frame is a good example of how a project with consistent management over a reasonable time period, carrying planning through to implementation, has a much better probability of achieving its goals. EcoGov, with a similar time frame to work on implementation, could in the opinion of the Assessment Team achieve the same level of results.

The Assessment Team recommends the EcoGov Project be expanded to include the new subjects mentioned above and to continue implementation over the next Strategic Framework period.

The project meets the combined goals of natural resource preservation, economic growth, and development of local governance.

**In summary, the Assessment Team recommendations are:**

1. Continue EcoGov into a second phase with emphasis on wholesale rather than retail in order to reach more LGUs. Primary emphasis should be given to developing the capacity of organizations providing technical assistance and training to LGUs and POs. *point needs explanation above*
2. Continue the emphasis on forest management, coastal resource management, marine fisheries and solid-waste management (including toxic and hazardous waste).
3. Add watershed management, clean water supply and sewage treatment as categories of assistance under the EcoGov program strategy.
4. Continue the geographic emphasis on Mindanao for both ecological and political reasons.
5. Increase linkages to NGOs, POs, and other donor projects for synergistic effect, broader coverage and continuity.
6. Expand the role of Local Service Providers in providing training and technical assistance to LGUs and provide for a more continuous flow of support to LGUs during the early stages of community resource planning and start-up implementation.
7. Facilitate linkages of LGUs to financial institutions and private investors who can assist in the development and financing of environmental facilities such as sanitary land fills with bulldozers and garbage collection trucks, clean water supply systems, sewage disposal systems, coastal patrol boats and similar equipment. Provide training and technical assistance to LGUs on the appropriate and effective use financing for environmental investments.
8. Include a component to explore and promote opportunities for alternative livelihood enterprises, such as seaweed production, mariculture, ecotourism, scuba-snorkeling resorts, utilizing existing successful examples from CRMP and other projects. Expand hotel-resort participation in ecotourism development in collaboration with LGUs and DENR and Department of Tourism (DOT).
9. Create and/or support endowments at academic institutions and NGOs to finance the continuation of environmental research, training and outreach services to assure the continuation of the EcoGov strategy beyond the time the EcoGov is completed.
10. Design a transition plan for the conclusion of CRMP to ensure that the technical assistance and training capacity in support of CB-CRM of the project are not lost.

*Documents Reviewed:*

Republic Act 9003, the *Ecological Solid Waste Management Act of 2000*

*Framework Plan for Environment and Natural Resources (ENR) Management: Department of Environment and Natural Resources (DENR) and the United Nations Development Programme (UNDP), November 2002 (DRAFT)*

Strategic Objective Grant Agreement Between the Republic of the Philippines and the United States of America for Protection of Productive and Life-Sustaining Natural Resources Through Improved Environmental Management and Enforcement, August 22, 2001 including Annex 1, the Amplified Description of Project and Attachment A, the Strategic Framework.

*Memorandum of Understanding Between the United States and the Republic of the Philippines for the Protection of Productive and Life-Sustaining Natural Resources, May 30, 2002 - Annex 1 (revised) and Attachment A (revised)*

DAI workplan for 2003/2004 approved by USAID, August 2002

Eco-Gov Project Progress Report as of August, 2003

Eco-Gov, February 2003, *Report of the Philippine Environmental Governance Project for the Months of January and February 2003*, Manila

Eco-Gov, February 2003, *Report of the Philippine Environmental Governance Project for the Month of April 2003*, Manila

Eco-Gov, April 2003, *Report of the Philippine Environmental Governance Project for the Month of May 2003*, Manila

Eco-Gov, mimeo, undated, *Assisting Local Government Units in Municipal Forest Land Use Planning*, Manila

Katoomba Group, World Resources Institute & Forest Friends, undated, *Developing Markets for Water Services from Forests*, Washington, DC

Eco-Gov, mimeo, undated, *Primer on DENR-LGU Partnership in Forest Management*, Manila

Republic of the Philippines, DENR and DILG, May 2003, *Joint DENR-DILG Memorandum Circular, No. 2003-01*, Manila

## **B. COASTAL RESOURCES MANAGEMENT PROJECT**

BASIC PROJECT DATA	
Project Number:	492-0444-C-00-6028-00
Contractor:	Tetra-Tech, Inc.
Signed:	1997
Project Duration:	Seven years
Value:	\$10,789,707.12

## **1. *Project Design and Contribution to SO4 Targets***

The SO4 target is Enhanced Management of Renewable Natural Resources. The Performance Indicators are:

1: 3000 kilometers of shoreline where “improved management” of coastal resources is being implemented by the end of the year 2002. This target was increased to 3500 by June 2004. Improved Management is defined as (1) Annual LGU budget allocated for CRM (2) Resource management organizations formed and active. (3) Number of LGUs where best CRM practices are being implemented.

2: Percentage change of fish abundance and coral cover inside and adjacent to marine sanctuaries (%change compared to baseline).

CRMP monitors progress on these factors and maintains the Municipal Coastal Database (MCD.) In order for a LGU to have its progress on indicators recorded in the MCD it must meet the following criteria: (1) have CRM budget; (2) have an active coastal resources management council; (3) be implementing one or more CRM best practices.

The expected results of this project are:

- ▶ communities that manage their coastal resources;
- ▶ effective site staff teams to provide assistance to communities and LGUs during and after project life;
- ▶ strengthened LGU capacity to support communities and national government capacity to monitor resources and implement policies;
- ▶ an effective delivery system established for communication, education and information sharing;
- ▶ increased public and private sector investment in CB-CRM and in developing viable alternative livelihood enterprises.

## **2. *Implementation Effectiveness and Deliverables***

Summary of Implementation Strategy:

- ▶ focus on community management of coastal resources
- ▶ research innovative CB-CRM approaches and fishing technologies
- ▶ strengthen LGU capacity to support community initiatives
- ▶ train in CB-CRM
- ▶ organize sustainable fishery management
- ▶ stimulate investment in alternative livelihood for displaced fisherfolks
- ▶ assist national government in resource monitoring and policy initiatives
- ▶ promote technology transfer and widespread application
- ▶ support public information and education on CB-CRM and fisheries

The CRMP contractor's annual reports from 1997 to 2002 reveal that the basic Implementation Strategy, (summarized above) has been followed throughout (with innovations) and all 2002 expected results established at project startup have been met or exceeded. New results targets have been established for the project extension period through to mid 2004 and the project is currently on track to meet them.

On SO4 #2 regarding "Fish Abundance", CRMP reports that surveys in 2001 show a 233% increase over baseline versus a 2002 target of 40% for inside sanctuaries and 79% increase for areas adjacent to sanctuaries. The marine sanctuary program is having a greater impact than anticipated and the communities are recognizing this achievement, creating a great deal of enthusiasm for the program. This is an unexpected benefit that bodes well for the future of fisheries management initiatives. The incentives are clear to the fisherfolk.

### **3. *Timeliness and Cost Effectiveness of Resource Use***

The contractor started the project very rapidly after signing and has maintained or succeeded the implementation schedule throughout the life of project. The project staff has effective collaborative relationships with the DENR provincial and municipal offices where the project is operating. A number of local NGOs and other donor-funded projects have collaborated with CRMP, further increasing the efficiency and effectiveness of the project's resources. Establishing the project headquarters in Cebu, closer to the location of many of the project's field sites was an effective management choice. The overall impression the Assessment Team came away with is the thoroughness and attention to detail that seems to be the management mode of CRMP.

### **4. *Contributions to Policy Development and Institutional Reform***

Under a Cooperative Agreement with Silliman University a senior level Program Policy Advisory Group (PPAG) was established as a "think tank" to provide a program vision and advise on strategy to achieve CRMP's goals and objectives.

The CRMP staff working with the PPAG provided program policy guidance to the project and assisted the Government in the development policy initiatives with regard to coastal resource management, fisheries, LGU authorities and certification, revision of the Public Land Act with regard to foreshore land use and harmonization of policies of the various government agencies in CRM activities.

### **5. *Impact and Sustainability***

The impact of CRMP over seven years of implementation is substantial. While it is one of series of projects working in coastal resources and fisheries in the Philippines over the past decade, it has reached the most communities and achieved the most in terms of CB-CRM and fisheries management. The Asian Development Bank, the World Bank and others have financed projects in various parts of the country and there also have been a number of activities in support of DENR, DA/BFAR, DILG and NEDA for policy and legislative initiatives at the center. CRMP has had strong collaboration with these activities and has made significant contributions. CRMP's networking activities with LGUs, local and international NGO's, other donors and

central government agencies has put it in an effective leadership role with regard to coastal resource policies and programs.

CRMP focuses on human resource and institutional development at the local level. Establishing Municipal Fisheries and Aquatic Resource Management Councils in the LGUs and training people are major institutional activities designed to establish sustainability of the CRM programs. The CRMP central technical support systems for the coastal communities will phase out at the end of the project and the sustainability of CRM programs will be affected. The new FISH project and the EcoGov project presumably will be able to take over and continue some of those support activities but the depth of technical capability that CRMP offers in coastal resource management and fisheries at this stage will not be the same. CRMP possesses a very important critical mass of technical capability that supports coastal resource field activities and policy initiatives. Some activities, such as the database, are intended for transfer to DENR. It is not entirely clear yet what will happen when CRMP closes down.

Community-based coastal resource management has not yet reached all the communities or all kilometers of coastline in the Philippines that have the need. The Assessment Team recommends that as the work continues in other projects, ways and means be found to expand the coverage of the program to all of the Philippine coastline. The ADB \$30m loan for the Integrated Coastal Resource Management Project hopefully will be able to achieve a significant expansion to those areas that have not yet been brought under CB-CRMP. Of equal importance is establishing permanent organizations that can provide technical assistance and training to communities and LGUs on a sustained basis. CRMP has provided the framework and the strategy the next phase for the Government and the donor/NGO community is to take it to the rest of the country and provide institutional permanence.

## **6. *Possibilities for Improvement***

Because CRMP is coming to end in mid-2004 so it is not the time for recommending project improvements. As it begins to phase out, as discussed in the previous section, it is worth mentioning the importance of turning functions over to other organizations. The project claims to have an “end game” plan to ensure that it’s technical capability and program momentum are not lost. It is clear no one in USAID or CRMP wants that to happen but it was not altogether clear to the assessment team how the transition will occur in all aspects. Some functions are being turned over to the DENR and other government agencies. The FISH project will assume some activities and many of the key technical staff members from CRMP will transfer to FISH. Other NGO’s and donor projects, such as EcoGov, have taken on some of the CRMP functions. However, there is no documented plan explaining how it will all be implemented. The Assessment Team recommends that CRMP and USAID review their exit strategy to ensure that crucial elements do not fall through the cracks as the program phases out.

## **7. *Contract Management***

A review of the CRMP annual reports reveals that the contract management of CRMP has been efficient as well as effective. This is a “performance for fee” based contract and while the Assessment Team has no knowledge of the fee payments, it is assumed that based on its reported performance, the contractor earned its fees.

## 8. Conclusion

The Coastal Resource Management Project has played a major role in promoting coastal resource management in the Philippines. The prime contractor and its subcontractors have accomplished what they contracted to do and more. It has assisted the DENR and the local government establish community based management in 150+ municipalities covering over 3200 kilometers. There is still a lot of coastline to be brought under improved local management but the basic strategic framework has been established and verified. Technologies have been tested and refined, and effective institutional development methodologies have been proven. National and many provincial governments have received significant training and there are many capable people to carry on the program. There are Local Service Providers (LSP), NGOs, POs, and academic institutions with varying levels of capability to assist LGUs in startup programs. Other donor projects have incorporated coastal resource management assistance and it is expected that more will follow suit. The Centers of Excellence created by CRMP are also major resources for the future. The FISH project is at least a partial follow-on project to CRMP and will be addressing the major issue of fisheries management. The EcoGov project is also addressing CB-CRM planning and provides some of the same type of assistance provided by CRMP.

The assessment team urges USAID to continue support for coastal resource management and the methodologies and approaches pioneered by CRMP. The SO4 strategy should continue to include CRM as a major environmental component and solid waste management, clean water supply and sanitary sewage disposal should be included. As recommended elsewhere in this report, watershed protection, alternative livelihood development, family planning education are all activities that can logically and consistently be included in a holistic approach to coastal resource management. Mindanao is important for both ecological and political reasons and the future of coastal resource management should retain Mindanao as a high priority.

### C. INTEGRATED WATER RESOURCE ALLIANCE (IWRA)

BASIC PROJECT DATA	
Project name:	<b>Integrated Water Resource Alliance (IWRA)</b>
Project number:	LAG 1-00-99-00035
Contractor:	PADCO
Contract signed:	September 30, 2002
Project duration:	October 1, 2002 to June 30, 2003
Value:	\$101,500

#### 1. Design and Targets

**Design:** This relatively short project, (9 months) now complete, was jointly funded by USAID/Manila and the USAID Urban Programs Office in Washington. It's objectives were to:

- ▶ Strengthen municipal integrated water resources planning and management; and
- ▶ Develop an alliance or partnership to serve as a forum for furthering integrated water resources management approaches.



The project had three phases:

- ▶ Participatory data gathering - October 2002 to February 2003
- ▶ Stakeholder mapping and development of IWRA Action Plans - March to May 2003
- ▶ Evaluation and communication of lessons learned - June 2003

The founding partners of the Alliance are the League of Cities of the Philippines, PADCO and the Cities of Naga and Iloilo. The International Council for Local Environmental Initiatives (ICLEI) has also joined as an Alliance partner.

Stakeholders in Naga and Iloilo included representatives of landowners and managers, environmental and conservation groups, local elected officials, women's groups, the media, financial institutions, agribusiness and industry, farming and watershed organizations, local government agencies, municipal groups, students, teachers, clergy and civic organizations.

**Targets:** The Project target was completion of Action Plans for Iloilo City and Naga City. Both Plans were completed.

## **2. *Implementation Effectiveness and Deliverables***

The Assessment Team was not able to visit Naga, but did visit Iloilo where the Mayor and senior staff reported that the IWRA Action Plan provides an important framework for meeting requirements of the proposed Clean Water Act. They said that what was “beautiful” about the Action Plan and the USAEP funded Iloilo River Development Master Plan was that the process brought together a number of different national and local agencies and organizations. Before the IWRA brought everyone together, there had been a lot of different plans and initiatives that were uncoordinated and not everyone knew what the others were planning. One of the products of the Alliance workshops was a Water Resources Workbook that compiled all available data, maps and proposed or current projects in each city.

The actions plans that the Alliance developed in those workshops are different from many of the plans that the Assessment Team saw being developed in the Philippines. They are issue oriented with a strategy and approach to address each issue followed by specific actions to be taken with a priority, timeframe and assignment of responsibility for each action.

The Iloilo Action plan identifies 12 issues with at least one, generally two or three specific actions to be taken on each issue. The issues deal with:

- ▶ drainage and flood control;
- ▶ water pollution;
- ▶ watershed protection; and
- ▶ water supply

Some issues identified are very specific: for example, concerns of stakeholders about the development of an ecotourism park in the Nabitasan Barangay. The Action Plan calls for a letter from the Green Forum to the Department of Public Works outlining park characteristics stakeholders would like to see; These include a stakeholder meeting on the park to be organized by the Iloilo Business Club and a re-evaluation by the Department of Public Works of the

concrete revetment design, considering eco-friendly alternatives for mangrove and earth revetments.

Others issues identified by stakeholders are more general in nature: for example, the need for a macro, whole-basin or watershed perspective. The Action Plan identifies steps to expand the information base and broaden the scope of the Iloilo River Development Plan. It calls for a DENR-LGU co-management agreement on watersheds.

### **3. *Timeliness and Cost-Effective Use of Resources***

The Project was completed on schedule and appears to have provided good value for a relatively low USAID investment.

### **4. *Contributions to Policy Development and Institutional Reform***

The Executive Director of the League of Cities of the Philippines said at a Conference on Governance of Watersheds in June 2003 that “IWRA demonstrates an innovative approach to integrated water resource management, planning and alliance building that focuses on a participatory process and helping the poor directly by identifying measures they can take to protect and expand their asset base.”

There appears to be general agreement among participants that meeting regularly with all stakeholders is the key to overcoming animosities and making development work at the local level.

### **5. *Possibilities for Improvement***

The Secretary General of the Philippines Watershed Management Coalition said the Alliance was too driven by user interests at the bottom of the watershed and not enough by needs to protect the uplands of the watershed (though, in fact, a number of the actions identified relate to a wider scope).

A lesson from Naga, identified by the City itself at the Conference on Governance of Watersheds, was that although they make a strong effort to include urban poor and marginal farmers in their activities, when water-related projects were compiled during the IWRA they realized the needs of these groups were not well addressed by existing projects.

### **6. *Sustainability***

At the Conference, both Naga and Iloilo indicated they intended to institutionalize water resource councils to serve as water quality management area governing boards in their respective cities, even before passage of the Clean Water Act.

### **7. *Conclusions and Recommendations***

The Alliance would be a good model upon which to build any future watershed or river basin work. It might be even more effective if expanded to assure participation of upland municipalities as well as agricultural and urban users.

See Part IV.C of this Report, Gaps and Future Directions for a summary of recommendations with regard to watershed management that grew out of a discussion of the IWRA at the Conference on Governance of Watersheds in the Philippines.

**Documents reviewed:**

PADCO: *Final Report* - The Philippines Integrated Water Resources Alliance (IWRA)  
June 30, 2003

PADCO: *Guidance Manual on Participatory Data Gathering*, undated

PADCO: *Data Sheet for Stakeholder Interviews*, undated

PADCO: *Powerpoint presentation* on the Integrated Water Resources Alliance (IWRA) for the USAID-NEDA Semi-Annual Review, May 22, 2003

PADCO: Note on IWRA's Participation in the Eco-Gov Conference on Governance of Watersheds, June 19-20, 2003

IWRA: *Pamphlet* - the Philippines Integrated Water Resource Alliance, undated

IWRA: *Action Plan for Improved Water Resources Management in Metro Naga*, Developed at the Metro Naga Stakeholders' Workshop of the Integrated Resource Alliance, Naga City, May 15-16, 2003.

IWRA: *Action Plan for Improved Water Resources Management in Metro Iloilo*, Developed at the Metro Iloilo Stakeholders' Workshop of the Integrated Resource Alliance, Naga City, May 19-20, 2003

DENR-USAID Eco-Governance Project Report: *Conference on Governance of Watersheds in the Philippines: Challenges and Constraints* (Summary of Proceedings), June 19-20, 2003.

**D. LEGAL ASSISTANCE TO COMMUNITIES**

BASIC PROJECT DATA	
Project number:	492-G-00-00-00030-00
Grantee:	CIEL and Tanggol Kalikasan
Agreement signed:	November 1, 2000
Project duration:	November 1, 2000 to October 31, 2001
(Phase 2)	
Value:	\$100,000
Extension:	May 2002 to September 30, 2004
(Phase 3)	
Signed:	July 7, 2002
Value:	\$450,000

## 1. *Project Design and Targets*

The *Eco Governance Program* of USAID Philippines recognizes the importance of environmental law enforcement is in line with USAID Philippines' mission goal of "Accelerating Sustainable Economic Growth and Reducing Poverty". It has included an indicator in its Strategic Objective 4 specifically on "increased enforcement of environmental laws".

As environmental law enforcement is a concern of government, the private sector, and the stakeholders, there must be consistency in working towards responsible and sustainable development, that recognizes the negative effects of natural resources exploitation, and believes that public and private benefits in biodiversity can be ensured through a positive approach to natural resource conservation.

The Project is being implemented by two organizations that are well known for their great concern in the protection of the environment through legal and paralegal means and activities. These two are *Tanggol Kalikasan* (TK), a public interest environmental law office, and the *Environmental Legal Assistance Center* (ELAC), an organization that aims to protect and assert environmental rights and equitable access to and control of natural resources. This group is working closely with other projects within the EcoGov Program and provides staff for training and assistance in drafting ordinances and laws for other projects.

Tanggol Kalikasan provides technical assistance mostly in the Southern Luzon EcoGov sites, and soon in the ARMM region. ELAC, meanwhile is providing technical assistance in EcoGov sites and has offices in Central Visayas, two in Mindanao, Bohol, Lette and Calibon. The partners in the group also receive funding from other overseas sources including Rockefeller Brothers Foundation focusing on coastal conservation; Ford Foundation with a three year grant until 2005; MacArthur Foundation on CBRM; Oxfam UK and the Philippine Foundation for the Environment.

The original proposal to USAID from this partner group indicated the following Project outputs / targets:

- ▶ Legal support for local communities participating in CBNRM initiatives of DENR & LGUs;
- ▶ Assistance to and strengthening of CIRL's Philippine public interest law partners in the on-going development of legal and policy making strategies for promoting sustainable CBNRM;
- ▶ Assistance to DENR/CBFMO and local government officials in the on-going development and implementation of legal policy making strategies for promoting sustainable CBNEM;
- ▶ Development of specific legal and policy recommendations supportive of sustainable CBNRM;
- ▶ Increased understanding, cooperation and goodwill between public interest lawyers and DENR and other government officials working on CBNRM issues and projects; and
- ▶ Publication by the University of the Philippines Law Center of case studies and the synthesis report prepared during Phase I of this initiative.

*Source: Appendix A, Revised Proposal to USAID from CIEL for Phase II, October 2000*

These targets are consistent with the overall objectives of the GoP in their strategy of improved land utilization and ownership and in the need to deter malpractice in the exploitation of dwindling natural resources of the country.

## **2. *Implementation Effectiveness and Deliverables***

The Project's contributions to Strategic Objective #4 (SO4) provide assistance and legal services to communities, peoples organizations and local government units. Training of persons selected by their communities as paralegal practitioners and assistance in the preparation of legal briefs, also assist the communities in the presentation of their cases in court.

The EcoGov Program, through the "*Legal Assistance to Communities*", expects to increase awareness of their legal rights and obligations in managing natural resources in at least 50 communities by the end of 2004. If by communities is meant the barangay, the above target may yet be surpassed substantially at the current rate at which Tanggol Kalikasan and ELAC are empowering LGU staff, stakeholders, NGOs, and POs. Annex E provides data on how far the EcoGov Program's expected output in environmental law enforcement as well as the USAID SO4 Indicator, is being met.

Law enforcement and legal capacity building activities that have been provided by the constituent projects of the EcoGov Program - in CRMP, EcoGov, Conservation International, ELAC, and Tanggol Kalikasan areas of operation, examples are highlighted below: (See Annex E. for more detailed list of recent interventions)

- ▶ Bantay Kalikasan Brigade in Northern Sierra Madre. Members are deputized by the DENR for six months, renewable depending on performance. Conservation International provides them with raincoats or food subsidies with counterpart from the LGU. 100 Bantay Kalikasan Brigade volunteers were trained by Tanggol Kalikasan: 30 volunteers from different communities and 70 volunteers from Palanan.
- ▶ Davao del Sur, a CRMP project site, has 5 boats patrolling 132 kilometers of shoreline. This is managed by the province and complemented by its municipalities that also have their own patrol boats and enforcement budget.
- ▶ Dalaguete, Cebu has a Php75,000.00 funding allocation for environmental law enforcement. It has a coastal police force composed of PO volunteers who patrol the coastal area. The volunteers are provided training, incentives in the form of honoraria, PhilHealth benefits, and seaborne patrol craft.
- ▶ Compostela Valley, thru EcoGov will soon get paralegal training assistance from Tanggol Kalikasan.

Human resource development interventions have been provided by both ELAC and Tanggol Kalikasan through paralegal training on environmental law enforcement. The training approaches used by include:

- ▶ Paralegal training sessions;
- ▶ Actual conflict resolution;
- ▶ Conflict management training sessions;
- ▶ Popular education approaches, such as action songs, stories, and visuals with drawings;
- ▶ Practical approaches using locally available materials from the field;
- ▶ Use of training manuals developed by the Project staff.

The following are examples of the training provided to date:

- ▶ Para Legal Training courses include a 3-day *Training for Barangays*, 3-day *Training for Judges*, and 2-day *Training for Prosecutors*.
- ▶ Para Legal Training for stakeholders, NGOs, and POs.
- ▶ Conflict management training for Barangay officials, judges, prosecutors, LGU and DENR staff.
- ▶ Training for FARMCs, NGOs, municipal and barangay officials and staff, these of course are now being prepared for regional level staff.
- ▶ Training provided in 2000 for a partner project to the EcoGov Program and paid for by RICO of Japan.

Assistance is provided to LGUs to prepare affidavits and in the preparation of local ordinances – in one case the legal team prevented an LGU from drafting an ordinance that would have been contradictory to existing law and subsequently could have been of considerable embarrassment to the LGU executive.

### **3. *Timeliness and Cost-Effective Use of Resources***

Delivery of the services provided has been in a cost-effective manner and within the timeframe agreed upon. The *value for money* derived from the interventions of this Project appears to be significant, with the ability to achieve so much in the time period, and with such a modest grant, is commendable. However, these groups of concerned lawyers and their staff have access to other funding, which compliments that of USAID, and thus are able to maximize US contributions most effectively. The contract partners have been well lead by the lead consultants and have delivered excellent results.

### **4. *Contributions to Policy Development and Institutional Reform***

Institutional strengthening and capacity building has been a major focus of the Project. The interventions of the Project have enabled LGUs in particular, to develop new ordinances, local bylaws and provided the members of local POs with paralegal training. This will in the future enable them to build up stronger cases that can then be presented in court in a more professional and confident manner, thus ensuring a greater chance of obtaining a conviction. From this new found local ability it is expected that future miscreants will be deterred and infringements of the local laws and ordinances will be reduced – whether this be illegal fishing, illegal logging or other environmental crimes – a new deterrent now exists.

The following are some significant efforts in effecting institutional development and which strengthen law enforcement capabilities within the communities.

- ▶ Creation of the Institute of Environmental Governance (IEG) in state colleges. This was conceptualized in early 2003 and its first training will be held in Lucena City in September 2003. It aims to conduct four trainings by end of 2003. Target participants of IEG are barangay and municipal officials, judges, prosecutors, and eventually DENR officials and staff.
- ▶ Covenant for Integrated Law Enforcement in Tayabas Bay signed by 17 coastal town mayors. This public-private partnership of Tayabas Bay generates funds for the protection of the bay.
- ▶ The Sierra Madre Corridor law enforcement is administered by a multi-sectoral board and is working effectively.
- ▶ The Northern Sierra Madre law enforcement is implemented of the Bantay Kalikasan Brigade volunteers.
- ▶ Region seven, where CRMP has a concentration of project sites, has *CLEAR 7* (Coastal Law Enforcement in Region 7) as its environmental enforcement arm. It has a MOA between DENR, PNP, Philippine Coast Guard, Philippine Navy, BFAR, NEDA, and Stakeholders. Legitimization through legislation was not sought to avoid limitations in enforcement activities. *CLEAR 7* sponsors enforcement activities. Their pioneering efforts has made them the most ready in impoundment and confiscation. A protocol in these two aspects of environmental law enforcement has already been established. The PNP Maritime Group has acted as trainers for *CLEAR 7*.
- ▶ *CLEAR 7* has assisted in the creation of PEDOS (Police Enforcement Desk Officers) in municipalities in Region 7. It provides for at least one PNP personnel manning the desk in every municipality.

It will be noticed from the above accomplishments that enforcement policies at the national level remain as the main guide for local government units in addressing their own enforcement policies. LGUs are now starting to realize the importance of law enforcement if they want to preserve and sustain the life-giving natural resources in their communities. As one barangay Chairman in Talibon, Bohol said, he does not want his children to ask him in the future, “Papa, where will we now get our fish?”

This awakening is making LGUs realize the need for linkages with institutions, like the Institute for Environmental Governance, that will see to the continuation of human capacity development after technical assistance has been withdrawn. LGUs also have realized, as in Dalaguete Municipality in Cebu, that legal empowerment has its costs and will need the allocation of financial resources, if protection of the environment natural is to work effectively.

## 5. *Possibilities for Improvement*

A number of areas exist in which the Project could improve its performance, a few are outlined below.

- ▶ Project staff is spread thinly throughout the country and there are still many areas requiring their technical assistance may not receive attention during the EcoGov Program period.
- ▶ It should maximize of the use of training manuals developed by the Project through the training of paralegal trainers.
- ▶ The concept that the *Institute for Environmental Governance* should only train Government law enforcement staff may divide the community. This may also deprive stakeholders, NGOs and, POs of paralegal training when technical assistance from the Project ceases.
- ▶ Creation of multi-sectoral law enforcement bodies must be pursued more vigorously.

Another partner project in the Eco-Gov Program, US-Asia Environmental Partnership (USAEP), is working on improving the capacity of law courts to conduct environmental cases and although each partner is aware of the work of each other, there may be benefit derived from periodic exchanges and consultations. The two projects very successfully compliment one another. Assistance from one is being provided to the courts to conduct cases in a more expeditious manner. The other aims to improve the presentation of environmental cases to the courts.

The Project staff expressed the need for greater access to legal materials and resources, particularly printed materials. At the same time there is considerable demand from clients for copies of legal documents and papers. It would be beneficial to all parties if there was some budgetary provision for purchase and / or copying of material for onward distribution.

The group has expressed a need, articulated by communities, to provide assistance in the development of alternative livelihoods for specific economic groups. LGUs have asked the Project for assistance in solid waste management and introduction of a clean air policy, which may mean that the scope of the Project could and should be expanded to the provision of training in environmental technologies.

There appears to be a shortage of “working tools” such as computers, GPS equipment (for boundary delineation), library materials with the Assessment Team being told that the Project was unable to purchase hardware from the USAID project budget, certainly in the current agreement. The preparation of a legal guidebooks series has been identified as a current and future need, the production of which would not be costly and would provide immense benefit to LGUs and POs.

On occasions funds are insufficient to be used as “seed-capital” to assist poorer communities to implement some of the interventions that would enhance environmental care.



A future intervention is for the provision of funds for the holding of “student fairs” at laws schools at the end of each academic year. This would provide a forum where increased the awareness of the opportunities to work at this level and with these NGO legal groups could be made, thus ensuring a flow of committed staff into these groups.

## **6. Sustainability**

Strengthening of the partner groups and the personnel within these groups, will enable them to continue the provision of their services at all levels and to train their staff, and the staff of the LGUs and POs in legal matters that will in future enable them to present cases in court with the greater chance of obtaining a conviction. Because these NGOs have funding from sources other than USAID, they will be able to continue their work after USAID funding ceases.

Some of the lessons learned include the following.

- ▶ The more effective law enforcement efforts are those where LGUs establish partnerships with other sectors of society, such as the stakeholders themselves, NGOs, POs, and other local institutions;
- ▶ A serious effort in human capacitation is a good beginning towards the empowerment of the different sectors of society. An empowered population will demand participation and transparency in all government activities. This enables the LGU to expand its efforts with some of its responsibilities shared with POs, NGOs, and others;
- ▶ Effective law enforcement activities have to be legitimized through legislation by the Sanggunian to ensure institutionalization and funding allocations for its activities.
- ▶ Legitimization and institutionalization of initiatives are necessary so that organizational structures and programs created continue to operate even with change in organizational leadership.

Experience demonstrates that LGUs which have partnered with the private sector and stakeholders in environmental law enforcement have a good chance of sustaining their gains in their initial efforts on enforcement. More so if such partnerships have been legitimized through a resolution of the Sanggunian.

LGUs that have allocated funds for enforcement have a better chance of sustaining gains in enforcement. Since degradation of natural resources is a both a global and a national issue, the government should prepare a policy framework that would require funding allotment specifically for environmental law enforcement.

The current awareness of public ability for enforcement is minimal, due partly to the few people who provide technical assistance to communities. There are, however, communities that have accomplished more than the others due to technical assistance received and also due to the creative efforts of the LGU and its counterparts in the private sector. These gains can be used by DENR to develop alternative models for different types of LGUs. These models will go a long way in helping LGUs create their own structures for enforcement. DENR may issue, through an administrative issuance, guidelines in the use of the manuals.

Paralegal training-of-trainers will provide sustaining gains in enforcement. The training may also include familiarization with the different alternative models for enforcement in different types of LGUs. This will widen the coverage of technical assistance and also ensure the continued efforts even after EcoGov funding has ceased.

## **7. Conclusions**

The grantees have provided value-for-money and have delivered a needed service to all stakeholders. The support provided, through the Project, to the constituent NGOs in developing their capacities and capabilities has enabled them to provide an increasingly professional service and at the same time to expand their sphere of influence and geographical spread.

Further funding to interventions of this nature and to groups of this caliber should be encouraged.

### **Documents reviewed:**

CIEL, October 2000, *Revised Proposal*, Manila

CIEL, undated, *Third Quarter NARRATIVE REPORT*, Manila

ELAC, undated *Third Quarterly Report*, Cebu

CIEL, December 2002, *Quarterly Report October to December 2002*, Manila

CIEL, June 2002, *Quarterly Report September to June 2002*, Manila

CIEL, December 2002, *Second Quarterly Report February to April 2001*, Manila

ELAC, September 2003, *Matrix of Coverage of USAID-OEM Assisted Projects*, Cebu

## **E. MAPPING THE IMPACT OF POPULATION ON BIODIVERSITY AND THE ENVIRONMENT: GIS DEMOGRAPHIC PROJECT**

BASIC PROJECT DATA	
Project number:	492-G-00-00-00008-00
Contractor:	Conservation International
Contract signed:	7 February 2000
Project duration:	June 2002-June 2003
Value:	\$

### **1. Project Design and Contribution to SO4 Targets**

This GIS Demographic Project is a follow-up USAID initiative to the successful and nationally well-accepted program in “Conservation Priority Setting Workshop: A Follow-on to the Philippines Biodiversity Strategy and Action Plan”, completed by Conservation International (CI) in latter half of 2002. Even prior to the closing date of this program, USAID approved the

GIS Demographic Project in February 2002 and tasked CI to produce 500 copies of digitized map and 50 pieces of CD ROM using GIS technology that points out key population and environment-linked data. As a contribution to SO4 targets, the final map was targeted to benefit government and development agencies with more reliable, updated and standardized information for a holistic approach to the formulation of conservation and development policies and programs.

In a more recent Project Quarterly Report (January-March 2003), Attachment 1 on Implementation Matrix identified the GIS Demographic Project objectives and the four key activities: (i) creating a digitized map, (ii) making a presentation to government and development agencies of the final map and GIS Demographic CD ROM, (iii) conducting training on the use of CD ROM and maps; and (iv) correlating the key demographic indicators to conservation priority areas with overlays of the thematic maps.

The Assessment Team learned from CI staff that implementation did not commence until October 2002 as they waited for the signing of the contract with USAID-Washington and the release of grant funds. Such slight delay in start-up operations resulted in an adjustment of implementation schedule. Mobilization of five CI staff was also done in October 2002.

## **2. *Implementation Effectiveness and Deliverables***

At the initial stage of implementation, the Project negotiated with targeted government and private sector agencies to establish partnership arrangements for digitization of maps, sharing of demographic and environment data, dissemination of the Project outputs and the application of CD ROM and maps. This negotiation through to successful conclusion of the arrangements has taken longer than anticipated (from two weeks to several months), and also partly slowed down the Project's efforts to get hold of topographic maps required for the production of an established base map.

### **2.1 *Creating a digitized map***

As of this date, the Project completed the digitization of 993 topographic maps sheets with a scale of 1:50,000 made available by the National Mapping and Resource Information Agency (NAMRIA). Such maps covered all the 206 biodiversity conservation priority areas and other important national areas identified in the previous program in "Conservation Priority Setting Workshop: A Follow-on to the Philippines Biodiversity Strategy and Action Plan". NAMRIA also conducted a scanning of the images of the topographic maps to ensure their acceptability for digitizing.

Digitization of maps was contracted to two GIS service companies, and review of digitized maps for quality control has been ongoing in partnership with NAMRIA. Merging of the digitized maps to create a standard digital base map has also started, and is well underway. The Project has scheduled completion of this activity in October 2003.

## **2.2 Making a presentation to government and development agencies of the final map and GIS Demographic CD ROM**

This activity has been designed to involve a national launching of Project outputs – the final digitized map and GIS Demographic CD ROM. The Project has scheduled this launching ceremony by November or December this year.

With the signing of memoranda of agreement/understanding (MOA/MOU) with the National Economic and Development Authority (NEDA), Department of Environment and Natural Resources' Protected Area and Wildlife Bureau (DENR-PAWB), Department of Health (DOH), Population Commission (POPCOM) and NAMRIA, the Project has achieved marked improvements in enlisting broad institutional support for data sharing, and reviewing and disseminating the Project activities. Both NEDA and DENR-PAWB agreed to become co-conveners of the Project activities, which included the holding of planning and/or review meetings, with CI providing technical and logistical support.

## **2.3 Conducting training on the use of CD ROM and maps**

The Project has begun the preparation of a training module on the use of CD ROM and maps. Initial talks with NEDA and DOH have resulted in arrangements for the CI to provide staff training and technical assistance on CD ROM operation and application as need arises. Such arrangements have ensured long-term data sharing and technology transfer between the Project (CI in particular) and NEDA and DOH. The Project has planned to develop similar arrangements with other government and development agencies.

## **2.4 Correlating key demographic indicators to conservation priority areas**

The Project has established 38 demographic indicators in agreement with USAID-Philippines' Office of the Population, Health and Nutrition (OPHN), categorized into four groupings: basic demographic indicators, family planning and reproductive health indicators, health and nutrition indicators, and socioeconomic indicators. Data for these indicators were of recent years, ranging from 1995 to 2000, and were collected from seven government agencies and USAID-Philippines.

Simple and multivariate correlation analyses of selected demographic indicators to measure their statistical significance on conservation priority areas have been started by the Project, and are targeted completion in October 2003. Preliminary results from these analyses show significant positive correlations between population in-migration and fertility rate indicators and the state of biodiversity (as dependent variable) in Calamianes Island in Palawan Province, and that of overall population growth indicators on the same dependent variable in Maria Aurora in Aurora Province.

## **3. *Timeliness and Cost Effective Use of Resources***

Given that the contract signing for the Project and the forging of MOA/MOU with targeted partners have caused a slight setback in start-up operations, the Project has recommended to USAID for revision of its work plan to commence in October 2002 and end in October 2003 with no additional budget required. CI staff has informed the Assessment Team that USAID has favorably considered their recommendation.

The identification and selection of qualified private contractors for map digitization has also been a major stumbling block. A considerable time was spent before the two contractors were finally selected to ensure quality of the Project outputs. This has moved the targeted schedule for completion of map digitization from May to October 2003, but the Project has been committed to ensuring higher quality standards of the produced digitized maps rather than insisting on meeting the schedule and sacrificing quality in the process. The Assessment Team learned that this change in schedule has not incurred additional cost.

Since implementation of subsequent activities has been highly dependent on completion of the first activity, i.e., production of a digitized map and CD ROM, the Project has maximized the use of its staff by initiating the preparation of a training module with the intention of reviewing its contents once the CD ROM becomes available. In addition, the Project has also proceeded with multivariate analysis to determine the relationships between the selected demographic indicators and the state of biodiversity within the 206 conservation priority areas. Results of this analysis have been presented in graphical forms and statistical estimates.

Overall, the flexible approach adopted by the Project in handling unanticipated challenges, as cited above, has helped in achieving a cost-effective implementation. The 4-month delay in target completion of the four Project activities as compared to its original schedule, in the opinion of the Assessment Team, could not be considered a significant drawback against the Project. In this kind of endeavor, the quality and reliability of the CD ROM and map information would be more important than timeliness of its completion, in order to enable government and development agencies to use a standardized and more reliable digital base map for coherent and holistic planning and management of the conservation priority areas.

#### **4. *Contributions to Policy Development and Institutional Reform***

The Project has not been expected to produce or initiate policy and institutional reform, but its primary output – i.e., a better and standardized template of digitized base map reflecting the key population pressure indicators for biodiversity conservation priority areas and other important national areas – would certainly be of importance to such initiative. As designed, the promotion for the use of a common base map has also been anticipated to improve coordination and complementation among government and development organizations in designing development programs that fit with conservation principles.

#### **5. *Possibilities for Improvement***

The Assessment Team has found the ongoing Project activities to be substantive enough to meet its objectives. The replication of this pioneering effort to map out the key demographic indicators for other biodiversity conservation priority areas stands out as one possibility for increasing the impact of the Project. Two such important areas identified from the initial results of multivariate analysis include the Calamianes Island and Maria Aurora in Palawan and Aurora Provinces, respectively. Based on the experience of the Project, the replication in these two areas would cost approximately US\$ 200,000.

## **6. Sustainability**

In addition to the possible replication of the Project in other conservation priority areas, the established partnerships with government and development agencies which involved data and technology sharing provide mechanisms to ensure the sustainability for updating and disseminating the CD ROM and map information. The assistance that CI provided to NEDA under the Sierra Madre Biodiversity Corridor Project in updating its GIS systems and training of staff in Region 2 has ensured the integration of information from this Project with NEDA's database.

CI has also planned to embark on a "road show" at the provincial level through its existing government and non-government partners and allies throughout and even after the Project duration.

## **7. Conclusion and Recommendations**

The Project has broken new ground in resolving data inconsistencies that often are sources of conflict in planning and policy making for the governance and management of environment and natural resources in the Philippines. Through the creation of a standardized digitized base map and a GIS Demographic CD ROM that identifies key population indicators bearing serious threats to priority biodiversity conservation areas. This two-part information set has made this Project highly relevant to the achievement of SO4 targets. CI and the project staff should be commended for this trailblazing initiative.

CI's work could serve as a starting point for the eventual use of common data sets shared between NAMRIA and the Forest Management Bureau (FMB), which are both under DENR and use critical natural resources management and biodiversity data for planning and decision-making. The methodology developed through the Project in identifying and correlating key demographic indicators to conservation priority areas should help to improve future biodiversity planning and decision making by directing interventions on the most critical factors that present threats to biodiversity in a given area.

There exist considerable prospects for replication and expansion of this Project so that more area-specific correlation analysis and development interventions could be designed and implemented that incorporate conservation principles and strategies.

### **Documents Reviewed:**

USAID communication to CI Vice President on the Project Award No. 492-G-00-00-00008-00 dated February 7, 2000.

Draft Memorandum of Agreement on Piloting the Regional Geographic Information Network.

Conservation International, 2003. *GIS Demographic Project Quarterly Report for January to March 2003.*

**F. PEACE CORPS COASTAL RESOURCES MANAGEMENT PROJECT**

BASIC PROJECT DATA	
Project Number:	Participating Agency Service Agreement
PASA Agreement Signed:	1997
Project Duration:	Four years
Value:	\$366,160.
Extension(s):	Three additional years
Dates Signed:	2001, 2003
Revised Value:	\$466,160

**1. Design and Contribution to SO4 Strategy and Targets**

This project is designed to provide opportunities for Peace Corps Volunteers to become involved in the Coastal Resources Management Project of USAID. The purpose is to increase the promotion of improved management of coastal resources and improve the skills of the people in the CRM communities. Most of the volunteers do training programs but they also do special projects in coastal resources or alternative employment. The PCVs and their counterparts prepare grant proposals for the special projects and submit them to USAID for approval and funding under the Special Activities Fund (SAF).

The specific objectives of the agreement are:

- ▶ Strategic spread and wide replication of CB/CRM approach beyond USAID's CRM project sites;
- ▶ Increased sustainability of CB-CRM efforts through greater community ownership and management of their coastal resources as well as development of indigenous leadership potential;
- ▶ Development and adoption of viable alternatives to fishing through the institution of alternative livelihood projects, e.g., ecotourism;
- ▶ Improved management of coastal areas through the upgrading of skills of provincial and municipal planners and fisher folks;
- ▶ Increased understanding of CRM issues through relevant, youth and local school community-based environmental education programming; and
- ▶ Improved monitoring and evaluation of coastal resource activities of participating local government units.
- ▶ The Peace Corps has implemented the agreement through a series of public information programs, technical training programs at the community level and the small grants program for special CRM projects.
- ▶ Specified activities to be implemented under PASA:
- ▶ Yearly training workshops in environmental education, alternative livelihood and other CRM topics for PCVs and host country counterparts;
- ▶ Youth Conservation Corps Workshops for 20 PCVs and counterparts;
- ▶ Global Positioning System (GPS) training workshops for 20 PCVs;
- ▶ Support for technical trainer at pre-service training programs;

- ▶ PCV attendance at CRMP planning workshops and site identification surveys and M&E visits;
- ▶ Yearly workshops with other organizations involved in CRM to share lessons learned and enhance technical skills.

## **2. *Implementation Effectiveness and Deliverables***

A total of 83 PCVs have participated in CRMP since inception, approximately 13 to 15 per year. The volunteers were well prepared for their assignments, all having received appropriate training in coastal resources management. They were also trained in grant proposal preparation for special projects. Nearly all of the CRMP volunteers have had small program grants and some more than one. The subjects of the grants has varied widely including, training programs, alternative income projects, village water systems, sanitary toilets, youth environmental camps, and mariculture.

The PASA committed \$366,160. for a four-year program and \$100,000 was added in 2002 for a total of \$466,160. Of this \$361,547 was utilized by April 2003. After adjustments, a total of \$107,000 remained for program expenditures and a no-cost extension until September 2004 was signed in August 2003. The PASA has one year remaining and the Peace Corps will continue to conduct training programs and support small grants during the period.

A review of progress reports and a mid-term project evaluation<sup>5</sup>, and interviews with Peace Corps staff reveals that the volunteers have been generally successful in achieving the six goals of this project, listed in 1.above. Environmental education, resource assessment, and alternative livelihood are the three activities given the most attention by the PCVs. The volunteers themselves believe the training they do has the greatest impact and in many cases contributes the most to sustainability. The Tetra-Tech team also indicated that the training activities of the volunteers were very effective and beneficial to the CRMP program. The progress reports do not reflect as much monitoring and evaluation of field activities as the PASA prescribed. The Peace Corps should seek to institutionalize the lessons learned by volunteers for future training programs to a greater extent than it has happened so far.

## **3. *Timeliness and Cost Effectiveness of Resource Use***

The PCVs go through their CRM and grants training early in their assignments and they begin fieldwork with their counterparts and their communities very soon thereafter. This means that a high percentage of the PCV's two-year assignment time is applied to productive field work, conducting training programs and implementing special projects. That is both timely and cost effective for USAID and the Peace Corps. CRMP and the Peace Corps have a strong collaborative relationship that has developed over the years of working with each other and that is a major contributing factor to the effective use of resources.

## **4. *Impact and Sustainability***

The provision of PCVs to CRMP has had a significant impact on achieving the Project's goals. Sustainability is an issue with this Project as with most with all development activities. The sustainability of coastal resource management in the LGUs has been enhanced through the

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<sup>5</sup> Sharman, James W.; Midterm Evaluation, CRMP: USAID/Philippines and Peace Corps Philippines PASA, March 2000.



training imparted to people from the LGUs, the POs, and the local NGOs, all of whom it is assumed will continue on after the volunteer completes his/her assignment. Some LGUs have assigned local people to take over from the PCV. In those cases where the PCV is working in the context of CRMP site program, the probability of a strong sustainable impact for the longer term is greater. In cases where the PCV is working in a community that is not part of the CRMP the sustainability of the effort depends on the emergence of effective leaders in the community who have learned well and are ready to assume responsibility and carry on a program.

## **5. *Possibilities for Improvement***

The volunteers represent an excellent resource for CRMP and coastal resource management generally in the Philippines. With CRMP coming to a close, the issue of what happens to this PASA Agreement is obviously an important issue. There are a number of possibilities that USAID and Peace Corps could explore for the continuation of the program. The EcoGov project has a coastal resource component that could benefit in many locations from the assignment of a CRM volunteer. Some of the other projects in the overall EcoGov Program might also benefit from volunteer participation for training and special project implementation such as the Cacao project in Palawan as suggested by Peace Corps staff. The major focus for improvement would be increasing the ways to expand the coverage of the program to a greater number of areas and establishing permanence and sustainability of improved coastal resource management in the LGUs, the POs and the NGOs through training and linkages to technical support organizations. Alternative livelihood projects have been successful in coastal zones and forest areas. Opportunities for expansion are limited only by the number of available volunteers. Aquaculture, seaweed production, handicrafts, small-scale livestock and poultry production all have excellent potential.

## **6. *Contract Management***

The management of this PASA appears to have been efficient all the way through. The Peace Corps is experienced in managing a volunteer program and has a well-established administrative system in the country office. USAID is highly experienced in contract and PASA management in the Philippines. The PASA is an efficient mechanism for one government agency to engage the services of another.

Security of volunteers is always the number one priority for the Peace Corps and as a result Mindanao and other high-risk areas are off limits for volunteer assignments, an unfortunate limiting factor. Although family planning would seem to be a good topic for public information and community training programs of PCVs, the Peace Corps as a matter of policy does not engage in family planning programs because of the political and religious controversy associated with this issue.

## **7. *Conclusions and Recommendations***

The assessment team concluded that PC-CRMP has performed well and achieved the stated objectives and targets of the original PASA agreement and the subsequent amendments. As mentioned above, one area that requires improvement is monitoring and evaluation of project activities to capture lessons learned and internalize those lessons in future year program planning and implementation.

The strategy adopted in 1997 remains valid but with the conclusion of the Tetra-Tech contract this year, PC-CRMP would require modification to continue. The Peace Corps staff indicated a desire to continue the PASA as a vehicle to provide meaningful engagement of volunteers and significant contribution to natural resource management and livelihood in the Philippines.

The assessment team recommends continuation of a PASA between USAID and the Peace Corps with new or expanded collaborative relationships established with FISH, EcoGov, and other projects involved in coastal resource management or alternative income generation. Expansion of volunteer participation beyond coastal areas in forested areas has the potential of improving alternative livelihood activities and watershed protection to reduce erosion and resultant siltation of mangroves and coral reefs. This has already started in the current PASA extension and should be continued. USAID might consider the possibility of a PASA for natural resources and environment in general to include sanitary water, sewage disposal, solid waste management, alternative energy and a wide spectrum of alternative livelihood enterprises. By establish collaborative relationships with the other projects under EcoGov, the Peace Corps could greatly increase the opportunities for volunteer assignments.

**G. CORAL REEF CONSERVATION INITIATIVE  
(LATER EAST ASIA AND PACIFIC CORAL REEF CONSERVATION  
INITIATIVE)**

BASIC PROJECT DATA	
Project number:	Grant No. 492-A-00-97-00060
Grantee:	International Marine Life Alliance (IMA)
Contract signed:	August 2002
Project duration:	September 8, 1997 to March 1, 1999
Value:	\$746,172.00
Extension:	multiple, through July 31, 2003
Signed:	unknown
Value:	\$3,701,282.00

**1. Project Design and Targets**

The Philippines has a coastline of 22 540 km with 1 525 towns and 10 major cities<sup>6</sup> located on the coast, with over 500 000ha of mangrove swamp - a coastline twice as long as that of the USA.

The International Marine Alliance (IMA) has been operating in the Philippines since 1984 providing support and technical assistance to coastal communities and fisherfolk in their efforts to manage coastal and marine resources on a community basis. The current contract with USAID was signed in August 2002 and IMA has recently negotiated a “no-cost” extension. The project was designed to address a number of interlocking issues. The objectives of the *Coral Reef Conservation Initiative Project* (CRCI) – formerly known as *Coastal Communities Empowerment Project* - includes the following:

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<sup>6</sup> Halibon Org.ph website, 15 September 2003.

- ▶ Site specific conservation interventions with local communities;
- ▶ Collaboration with and technical support to GoP environmental and fisheries agencies in prevention of destructive fishing practices;
- ▶ Cyanide detection and monitoring;
- ▶ Policy research, dialogue and development;
- ▶ Marine conservation awareness and IEC programs;
- ▶ Applied scientific research to support sustainable reef fisheries management;
- ▶ Monitoring, influencing and transformation of the private sector on “the demand side” of the trade in coral reef species.

Considering the long experience of IMA in the region and in the Philippines these targets appear to be attainable and realistic. IMA receives funding from other sources for its work in South-East Asia and the USAID contribution provides continuity to the work and enables expansions of the interventions. The Project was completed in July 2003.

The CRCI works in partnership with a number of institutions, those of the GoP – DENR, DA-BFAR, DE - universities, national and local NGOs, the private sector and peoples organizations (POs).

## **2. Implementation Effectiveness and Deliverables**

**2.1 Public Awareness & Education and Training.** Training materials for all levels of participants and education materials for schools and community use are excellent and have been produced at a high standard and for a good price. Public information materials have been translated into 3-4 local languages and widely distributed. Work with the San Carlos University and with the University of the Philippines Marine Fisheries Institute (UPMFI) has enabled the Project to coordinate with components of other funded projects and thus ensured a wider dissemination of materials. Expectation is that there will be an expansion of the IEC campaign as it is felt that the need for greater public awareness, particularly amongst the younger generation, is of vital long-term importance. Much of this work would be through POs and other local institutions.

Technical training in new skills and fishing techniques for fisherfolk, as well as training for employment and income generation from alternative livelihoods has been a major contribution of the Project.

Work in Mindanao has specifically targeted, through public awareness campaigns, the public distrust of outside assistance and endeavored to build trust within communities and understanding of the need for community coastal management initiatives.

**2.2 Solid Waste Disposal.** One of the most successful and high-profile initiatives has been the introduction of a “*Coastal Clean-Up Day*” which has now attained a national status, with thousands of people being involved each year. From this has come the introduction, by many coastal local authorities, of new ordinances and local by-laws on such issues as litter, recycling of certain waste materials and overall improvements in solid waste management.

**2.3 Illegal Fishing Techniques and Prosecutions.** The Project has been successful in reducing the use of dynamite for fishing in selected communities. This has been achieved by

taking the pragmatic approach that if the fisherfolk are to cease the illegal and destructive practices they require alternative livelihoods to replace fishing as their main source of income. A number of *Cyanide Detection Testing Laboratories* have been equipped and established in Puerto Princess and in Manila and in eight years these laboratories have tested over 12,000 samples. Much of the Project's focus is on food fish and ornamental tank-fish capturing areas of Coron and Palawan. The use of satellite imagery has also been used at Satellite Monitoring Centers for some of the detection work.

The staff of the Project is often called upon as "expert witnesses" in court cases, thus bolstering the conviction rates of illegal fishers and acting as additional deterrents to malpractice. However, there has been frustration amongst the Project staff with the slow follow-up of DA-BFAR staff who are now tasked with the issuance of certification of cyanide-free fish. This certification exercise was initially introduced and operated by the Project for nearly eight years, however, since handing over this responsibility to this GoP agency the management of this system has become considerably less efficient. Statistical information on import-export of fish from BFAR is less up-to-date and less accurate than that received, on a monthly basis, from Hong Kong.

**2.4 Strengthening Capability at the Local Level.** Because of the fluctuating prices of fish the use of cyanide varies from season to season. The free voluntary testing of fish for traces of cyanide, with the cooperation of local people, LGUs and NGOs, initially undertaken by the Project, is now being undertaken by BFAR who charge a fee for this service. The introduction of a more integrated approach to the catching and sale of fish through the "Chain of Custody" has meant that the fisherfolk, the middlemen and the traders are more aware of the need for better fishing practices and the customer receives a safer and better product.

Advice has been provided to numerous communities in the patrolling of coastal waters and the Project has consistently worked hand-in-hand with the Coast Guard service.

**2.5 Reef Rehabilitation.** The work with other linked institutions such as San Carlos University UPMFI, on reef rehabilitation has enabled reefs to be restocked with clams, and the regeneration of corals for harvesting for supply to private individuals wanting to restock their own coastal property. The Project assists in the monitoring of the ornamental live fish trade and participates in discussions at all levels on this issue, conducts fieldwork and provides expert help as and where needed.

**2.6 Collaborative Efforts.** There is considerable coordination and joint efforts exist between the CRCI and other USAID / OEM (Office of Environmental Management) funded projects. This is evident in work with World Wildlife Fund (WWF) and with Conservation International.

**2.7 Occupational Health Needs of Fisherfolk.** The Project has been approached to work with the Ministry of Health in assessing the medical and health needs of fishing communities. This is a most worthwhile collaborative effort and should address many "felt-needs" of the fishing communities and as such should provide an excellent basis for further confidence building and trust where additional development of coastal management will be encouraged.

### **3. *Timeliness and Cost-Effective Use of Resources***

Although the Assessment Team have been unable to spend a great deal of time with the Project and unable to visit any of the Project sites, the impression gained is that this is a well managed effort and that resources have been utilized both effectively and responsibly.

### **4. *Contributions to Policy Development and Institutional Reform***

Assistance provided to a number of LGUs in the drawing up of numerous ordinances and local bylaws relevant to coastal zone management, LGUs have been provided with training and assisted with the implementation of newly adopted policies.

### **5. *Possibilities for Improvement***

There are no areas where the Assessment Team can identify a need for redirection or curtailing of interventions.

### **6. *Sustainability***

The USAID contribution to the overall work of IMA through the work of the CCRI Project appears to have been well used and the benefits that have accrued from the Project interventions look as though they will be maintained. It is at the "grass roots" level where most, but certainly not all, of the Project's work has been, and it is at this level where there appears to be commitment to the effective management of the coastal environment for future generations.

### **7. *Conclusions and Recommendations***

While the Assessment Team was unable to visit any of the Project sites, the interventions of the Project appear to provide "value for money" and there are long-lasting interventions that have made significant differences to perceptions, and implementation of, coastal management. The Project has made considerable contributions to USAID Manila's Strategic Objectives #4 (SO4) directed at improved environmental management.

#### **Documents Reviewed:**

USAID/ Manila, undated, *Program Description and Cooperative Agreement USAID Philippines and International Marine Alliance – Philippines*, Manila

International Marine Life Alliance, various publicity papers

East Asia Pacific Coral Reef Conservation Initiative, February 2003, *Progress Report*, Honolulu  
East Asia Pacific Coral Reef Conservation Initiative, February 2003, *Progress Report*, March  
*April 2003*, Honolulu

International Marine Life Alliance, June 2000, *Project Evaluation: September 1997 to June 2000*, Manila

Various education and training materials Coral Reef Conservation Initiative, undated. *Terminal Report*, Manila.

Coral Reef Conservation Initiative, December 1999, *Progress Report: September to December 1999*, Manila.

Coral Reef Conservation Initiative, March 1999, *Quarterly Report Covering October 1998 to March 1999*, Manila

## **H. SUSTAINABLE COCOA EXTENSION SERVICES FOR SMALLHOLDERS (SUCCESS)**

BASIC PROJECT DATA	
Project number:	AID 492-G-00-02-00028-00
Contractor:	ACDI / VOCA
Contract signed:	September 30, 2002
Project duration:	October 1, 2002 to September 30, 2005
Value:	\$500,000

### ***1. Contract Design and Targets***

The interventions of this Project are focused on providing alternative livelihoods for forest dwellers in Northern Luzon, Western Mindanao and Palawan. The SUCCESS-Alliance Project is working in co-operation the EcoGov Project in these Provinces. The commencement of Project operations was in October 2002 and completion date will be September 2005. The Project is being implemented by the Cocoa Foundation of the Philippines as a sub-grantee.

Cocoa was initially an estate crop, but following the agrarian reform movement of the late 1980s these estates were broken up and cocoa production went into decline. The re-establishment of cocoa as a cash-crop is to provide additional farm enterprises as an income using registered varieties which are resistant to diseases and adaptable to different agro-climatic zones. The agronomic approach of the Project is an organic one with no use of herbicides, pesticides and fertilizers. This approach, it is hoped, will address sustainability issues and at the same time allay environmental concerns for pesticide and herbicide residues and pollution of aquifers and other water sources.

The physical targets of the Project to be achieved by September 2005 are:-

- ▶ 13 Training of Trainers (ToT) courses;
- ▶ establish cocoa nurseries in 45 sites;
- ▶ 2,000 farmers will have planted 300,000 improved seedlings;
- ▶ train 2,500 farmers on appropriate production technologies and practices;
- ▶ a number of annual study tours, in-country and in the region, to see best practices where they are in use.

As of mid-September the Project had only just commenced the establishment of the cocoa nurseries and was just beginning to scale-up production.

The world price for cocoa has until recently been very depressed, but has now in 2003, reached a level whereby it is commercially worthwhile for the farmers to grow both for the home market and for possible export. However, caution must be taken as the notorious *cocoa cycle* could once again bring poor prices and an unstable market resulting in the returns expected being considerably less than was hoped for. The consequence of which would be the “grubbing-up” of the cocoa trees and a return to “slash-and-burn farming” that is being discouraged by the Project and is central to the Project’s objectives.

## **2. Implementation Effectiveness and Deliverables**

The Project’s contributions to Strategic Objective #4 (SO4) focus on the provision of alternative livelihoods for forest dwellers, usually those living on the edge of forests, by providing additional sources of income by cocoa growing. The Project is not promoting mono-cropping, but the use of natural or regenerated natural forest areas as shade cover for the newly planed cocoa trees and for the inter-planting of food-crops. The average size of holdings of the participating farmers is 2-3 hectares in Mindanao and 2 hectares in Palawan, thus it is the needs of small-scale farmers and their families that are being addressed.

Work is undertaken in conjunction with the Provincial Agricultural Officers and their extension staff with the full support of the Commercial Crops Section of the National Agricultural and Fisheries Council of the Department of Agriculture. At the same time this linkage will provide some degree of technology transfer to the barangay and other staff of the Department. Other resource persons, for training and technical advice, are provided through the universities and some selected “lead-farmers”. The Capacity Building for CBFM Holders Project is also recommending the planting of cacao and coffee as livelihood alternatives, the exchange of ideas, techniques and resources between the two projects could in future prove to be mutually beneficial. The MoU between the Project and its partners in Mindanao has as yet still to be signed, although the Project appears to be making every effort to have this rectified. However a Rapid Rural Appraisal, on cropping patterns and farming-systems in Pagadian, was conducted in co-operation with the Eco-Gov Project and LGU staff.

As of the date of the Assessment Mission, almost one year since commencement of operations, only a few nurseries have been established for the multiplication of cocoa seedlings for sale to farmers. Obtaining roots stock and budding material has been more difficult than was expected. The diversification of the species cultivated in the forest is a good agro-forestry practice and allows the utilization of the forest cover and the forest lands without denuding forest areas of original or secondary growth.

Revised training manuals are still being finalized. The Assessment Team did not see the initial drafts. The Assessment team was told – at a meeting with Project staff on 10<sup>th</sup> September - that there is no money to conduct the training and as such the *Farmer-Field-Schools* approach will be used instead presumably until manual is finished. The trained farmers are expected to establish these schools and provide some form of specialized training – propagation, pruning, harvesting and storage of the crop. Each farmer receives Pesos 500 for attending the training and is expected to plant at least 100 seedlings.

As of September 2003 one ToT course has been held in Palawan in March 2003 (originally scheduled for Zamboanga), but with no participants from Mindanao and only three participants from Northern Luzon. The ToT course that was to be held in February 2003 in Cotabato was postponed because of security problems and it is now hoped to hold this elsewhere in October. Participants included LGU agricultural staff, farmer leaders from farmer co-operatives and associations. Trainers and course materials were provided by the Department of Agriculture and the University of Southern Mindanao. Curricula are cooperatively developed by all concerned parties.

As of September 2003; 52 farmers have undergone training but as yet no project activities have been conducted in Northern Luzon.

### **3. *Timeliness and Cost-Effective Use of Resources***

The current Work Plan still needs approval from the Office of Environmental Management, USAID/Manila while the planned interventions remain delayed. The Assessment Team did not see the Work Plan. Although some delays in start-up were experienced and there are only a few cocoa trees planted so far, there is a determination among the team members that the Project will reach its objectives on schedule.

No quarterly reports were provided to the Assessment Team although the requirement for quarterly reporting is in the contract with USAID.

Because no project financial reports were seen by the Assessment Team, it was not possible to judge the cost-effectiveness of the interventions.

### **4. *Contributions to Policy Development and Institutional Reform***

There are few institutional change interventions nor is policy reform within the Project objectives. However, the encouragement of farmers to plant under forest and coconut shade is consistent with the Department of Agriculture's advice. The Project works closely with the Cocoa Industries Development subcommittee within the DA and this has assisted The Cocoa Foundation of the Philippines to locate extra funding. The use of an organic approach to small scale commercial cocoa production – using 60% organic inputs and 40% chemical inputs - is a relatively new approach for the DA and as such the Project is providing an extension approach that is new and from which the DA can learn lessons.

### **5. *Possibilities for Improvement***

The numbers of trees or hectares to be planted may have been maybe unrealistic within the Project timeframe. Therefore in future project designs of this nature it may be advised to assess more accurately the expected deliverables within a project timeframe.

Liaison with the EcoGov Project on the possibility of cocoa production as part of some of the FLUPs being prepared in their areas of concentration, could provide the needed “alternative livelihood” opportunities that would make the plans more sustainable and economically more worthwhile.



## 6. Sustainability

The Cocoa Foundation of the Philippines receives funding from other sources, so its work will continue after the completion of the USAID project. However, the work that is currently being funded has the possibility of long-term benefits, provided that the world cocoa prices remain high and that the low input technology provides reasonable yields and thus alternative incomes for the framers. If, as is expected, the farmers can harvest one ton per hectare and obtain a price of US\$ 0.80 per kg., then there is a distinct possibility that the Projects interventions will be sustainable in the long-term. The involvement of commercial companies such as *Masterfoods*, with assistance to the Project, should further encourage the development of this nascent small-scale production by forest dwellers. Further contacts are being made by the *The Cocoa Foundation of the Philippines* with *Hershy* confectionary company in the USA for possible commercial involvement. The estimated demand from national industries for local consumption of cacao - information from the 10<sup>th</sup> September meeting – is 40,000 ton, which has the potential to further increase if supplies can be assured.

The encouragement of participating farmers to produce seedlings for sale has resulted in a number beginning to supplement income through the onward sale of seedling to other farmers. It is hoped that the current location of nurseries on DA land will soon be changed and that the farmers themselves will be the multipliers of new stock, thus again ensuring some degree of sustainability.

Working in co-operation with multi-purpose cooperatives, having signed an MoU with forest-based cooperatives, will also provide a possible incentive and platform for future sustainability.

## 7. Conclusions

Although the Assessment Team was unable to visit any project sites it does appear that value for money has been achieved in this Project. However, it will be only in the long term that the true benefits will be realized with increased income for forest dwellers and a reduction in the "slash-and-burn" practices currently being used.

### Documents Reviewed:

No Project Quarterly Reports or other documentation were seen by the Assessment Team.

## I. SIERRA MADRE BIODIVERSITY CORRIDOR PROJECT

BASIC PROJECT DATA	
Project number:	LAG-A-00-99-0046-00
Contractor:	Conservation International
Contract signed:	29 September 1999
Project duration:	October 1999-September 2004
Value:	\$ 1,006,978.00

## 1. *Project Design and Contribution to SO4 Targets*

USAID's Cooperative Agreement with CI has supported the Biodiversity Corridor Planning and Implementation Program in Brazil, Guyana and the Philippines to establish functioning biodiversity corridors. In the Philippines, CI has designed the Sierra Madre Biodiversity Corridor Project to fix unprotected gaps in the corridor facing serious threats from increased degradation and land conversion for agriculture of the remaining forests. Through a mix of interventions to provide legal and scientific basis for sound corridor management, generate economic alternatives, and undertake targeted public awareness campaign, approximately 1.0 million ha of forest cover have been targeted to be placed under improved management.

Direct involvement of all stakeholders at all levels in the conservation and protection of the Sierra Madre biodiversity has been the key implementation strategy of the Project. The Project has developed and implemented its interventions through and with key stakeholders to accomplish the following specific objectives:

- ▶ Creation of new protected areas (PAs) and/or expansion of existing PAs;
- ▶ Protected Area Management Board (PAMB) strengthening and capacity building; and
- ▶ Partnership/alliance building.

These objectives reflect some refinements from the Cooperative Agreement's original objectives and incorporate lessons learned from the first three years of the Project implementation. Justifications for these refinements were explained in the fourth Fiscal Year (1 October 2002-30 September 2003) Implementation Plan of the Project.

## 2. *Implementation Effectiveness and Deliverables*

Seven key activities classified into three groupings have been implemented by the Project. The status of each activity as presented in the latest Annual Progress Report dated 15 September 2003, and shown in the table below, shows that implementation proceeded in a participatory and transparent manner, and targets were completed as scheduled.

Activity No.	ACTIVITY TITLE	Status
<b>1.0</b>	<b>Lead participatory design, ensuring existing and ongoing data collection and analysis efforts are incorporated into regional development planning efforts</b>	
1.1	Support GIS capacity building within the Region 2 NEDA Office to use the existing Corridor Information System in the planning processes	Completed
1.2	Support efforts of Local Coordinating Units (LCUs) at the provincial level to incorporate biodiversity considerations into provincial development planning	Completed
1.3	Implement a monitoring and evaluation system for the corridor and incorporate it in all partnership activities	On track
<b>Activity No.</b>	<b>ACTIVITY TITLE</b>	<b>Status</b>
<b>2.0</b>	<b>WORK WITH KEY STAKEHOLDERS TO CREATE AND/OR EXPAND AND EFFECTIVELY MANAGE THE PAS</b>	
2.1	Provide technical assistance and support to the Department of Environment and Natural Resources (DENR) in developing the required background data and documentation for the proclamation of 3 expanded protected areas	Completed

Activity No.	ACTIVITY TITLE	Status
2.2	Compile biological information about the Penablanca Protected Landscape and Seascape (PPLS) and the Quirino Protected Landscape (QPL)	Completed
2.3	Facilitate the development of PA Management Plans for the expanded PPLS and QPL	On track
<b>3.0</b>	<b>BUILD REGIONAL UNDERSTANDING FOR LONG-TERM SOCIAL SUPPORT AND PARTICIPATION</b>	
3.1	Promote biodiversity compatible economic activities within the corridor	Completed
3.2	Implement an awareness campaign to build understanding of the support for the corridor	Completed

**2.1 Taking a lead role in participatory corridor design.** In building GIS capacity within the NEDA Region 2 Office the Project has assisted in establishing the Regional GIS Center (RGISC) in this office, which has become the database center for recently updated corridor GIS-based information system. An important part of the upgrading process was the incorporation of socio-economic information into the database, and the compilation of all the information in a CD ROM format. Copies of this CD ROM format were distributed to the local government units (LGUs) at the provincial and municipal levels to ensure the integration of biodiversity considerations in the preparation of various development and land use plans. In partnership with the National Mapping and Resource Information Agency (NAMRIA), a series of training on the application of GIS-based information system, and/or building a GIS unit and spatial database infrastructure, and information database network has been provided for technical staff of the Regional Land Use Committee (RLUC), Provincial and Municipal Planning and Development Offices (PPDOs/MPDOs), and non-government organizations (NGOs). More than 80 technical staff have benefited from those trainings.

All these efforts have enabled the Regional Development Council (RDC) for Region 2, which is the primary development and resource use decision-making body in the region, to pursue its intention to establish a Regional Geographic Information Network (RGIN). Through the RDC, a memorandum of agreement was drafted to formalize this network initially to be composed of 9 regional offices of national government agencies, all five provincial governments (Batanes, Cagayan, Isabela, Nueva Vizcaya and Quirino) comprising Region 2, and CI. If finally formalized, information sharing would be easier and faster among network members than it tends to be in non-collaborative settings. Access to information by municipal LGUs and NGOs would help in making better environmental governance plans and related decisions.

NEDA Region 2 Office has already used the biodiversity data, including conservation priority areas for the Sierra Madre Biodiversity Corridor, at RGISC in updating the Regional Physical Framework Plan (RPPF). The Assessment Team has found this to be a successful effort of the Project, since the RDC uses RPPF for reviewing and approving major development projects and resource-extractive investment applications.

At the provincial level, interagency coordination for organizing and planning collective actions for the Sierra Madre Biodiversity Corridor has improved with the creation of multi-sector Local Coordinating Units (LDCs). These LDCs have been formalized through memoranda of understanding (MOU) between the Provincial Governments, Department of Environment and Natural Resources (DENR), Department of Agrarian Reform (DAR), Department of Interior and

Local Government (DILG), Department of Education, Culture and Sports (DECS), National Council on Indigenous Peoples (NCIP), local State and Private Colleges/Universities, NGOs and Federations of Peoples' Organizations. This partnership also binds all members to integrate their related ongoing and planned natural resource management activities. Appropriately putting each LDC under the guidance and supervision of existing LGU's structure, i.e., Provincial Council for Sustainable Development (PCSD), has ensured the institutionalization, ownership and sustainability of the Project activities to be initiated and implemented through this partnership.

In addition to these two completed activities, the Project has also established the SMBC biodiversity monitoring and evaluation system. Implementation of this system has focused on biodiversity database establishment, and monitoring of forest cover changes and wildlife hunting pressure within the corridor. The Project has also developed a 1988-2000 land-use change detection map for tracking forest cover changes over time, which will be included in the revision of the GIS-based information system, for the use of its partners in monitoring activities.

**2.2 Working with key stakeholders for the creation and/or expansion of PAs.** With the completion of two key activities, i.e., developing background data and documentation for PA proclamation and compiling biological information for PPLS and QPL, the Project efforts have now shifted to working with DENR and other NGO partners to get legal designation for the PAs. Two draft bills, i.e., Philippine Senate and House of Representatives versions, that would legitimize the PPLS expansion and protection, have passed the second reading in both houses of Congress and are now being revised to meet the requirements of the final congressional hearing for legislative enactment.

A draft Presidential Proclamation for the establishment of QPL has been prepared, and now waits for DENR Review Committee resolution for endorsement to the Office of the President for final approval. A parallel effort to draft a bill on this proclamation has been completed for filing in the House of Representatives.

Existing PA Management Plans for PPLS and QPL are being updated to incorporate the newly discovered animal species (e.g., frogs and reptiles) in order to identify the different management zones in accordance with NIPAS law. Barangay residents have been involved in this effort through community planning and mapping activities. A series of training and cross learning visits has also been conducted for Protected Management Area Board (PAMB) members to improve their management capacity.

The Project has also been effective in working with LGUs for securing the protection of the proposed new PAs. For instance, in Cagayan Province through the LCU, the Provincial Governor has issued an executive order declaring the North Eastern Cagayan PA (Mt. Cagua Complex and Twin Peaks in the Municipality of Baggaao). This executive order included the Provincial Government's funding support for conservation efforts and the creation of the Cagayan Council for Sierra Madre Biodiversity Corridor, a multi-stakeholder institution tasked to support the management of the North Easter Cagayan PA. In Aurora Province, the Provincial Development Council (PDC) has endorsed the proposed expansion of the Maria Aurora National Park to the Regional Development Council to protect the watershed areas that support several communal irrigation projects in the province.

These efforts appear to have been effectively contributing to put larger forestland and its resources into permanent PA status, with a greater number of stakeholders favorably supporting them.

**2.3 Building partnership/alliance.** The Project also reported the completion of the two tasks (refer to Table above) under this key activity, which led to the development of pilot reforestation and agro-forestry projects in Cagayan, Nueva Vizcaya, Quirino and Aurora and intensified information, education and communication activities. The latter activities involved training of local partners, organizing youth groups as conservation advocates, producing posters, publishing a quarterly SMBC newsletter, conducting seminars and exhibits for government agencies and state universities, and launching a radio program. As of this date, key positive outcomes have resulted from this activity, such as the disapproval of timber and furniture industries' applications for harvesting of remaining timber inventory and for re-opening abandoned logging road within the corridor. Community volunteers (designated as park rangers) have been mobilized to undertake patrol work, and also confiscated illegally cut timber.

### **3 *Timeliness and Cost Effective Use of Resources***

Based on the Project reports<sup>7</sup> and interview with CI staff<sup>8</sup>, all six of the eight sub-activities have been completed within the set budget and timeframe. In fact, in some instances the Project has also matched USAID funding support through successful negotiation with LGUs and private sector (SIEMENS, RICOH), and sharing technical and material resources with other USAID partners (e.g., Tanggol Kalikasan, EnterpriseWorks Worldwide) and other local NGOs (e.g. Process-Luzon). The Assessment Team has found this leveraging effort to be commendable because it demonstrates an effective use of the Project resources, including USAID's grant, and increases the sustainability of Project activities.

With still one year remaining in implementation, signs are good that the Project will be able to accomplish the two other ongoing sub-activities by September 2004. However, CI technical assistance must be intensified in supporting DENR and LGUs in their policy advocacy work to complete the "legitimization" process for proclamation of the proposed new PAs and expansion of existing PAs during the Project term.

### **4. *Contributions to Policy Development and Institutional Reform***

The Project has succeeded in establishing an institutional mechanism that incorporates two key elements of good governance: greater participation and transparency in planning and decision-making processes involved in the formulation of PA Management Plans, local ordinances, and drafting of proposed PA bills. Participation in the LCUs and PAMBs, for instance, has gone down to the community level through representation of organized POs have equal status in making collective decisions. Since barangay residents and POs are involved in biological assessments, they get information early on in the planning process and this opportunity makes them more confident to be active in discussion of conservation-development issues as well as in

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<sup>7</sup> Conservation International, *Biodiversity Corridor Planning and Implementation Program Annual Progress Report - FY03: 1 October 2003-30 September 2003* dated 15 September 2003 and *Success Stories in the Annual Progress Report: 1 October 2001-31 March 2002* dated 17 June 2002.

<sup>8</sup> Conducted by the Assessment Team with key CI staff at CI-Philippines Office in Quezon City on 9 and 26 September 2003 and with CI Area Coordinator for Nueva Vizcaya, Quirino and Aurora Provinces in Solano, Nueva Vizcaya on 11 September 2003.

identification of options to resolve them. The participatory process also has succeeded in linking the community-level biological data gathering and management planning with the national-level law making body (Philippine Congress) and government machinery (DENR). The Project initiative to draft bills on PA proclamation has allowed the proper articulation of conservation and development needs of the local stakeholders especially the poor farmers, indigenous peoples and women to be included in those bills. This process has promoted transparency in policy making.

Rightly assigning the LCU under the existing permanent PCSD in each province has been another important institutional reform initiated by the Project. The LCU has now become an integral part of the LGU organizational structure, and thus increases the chance to sustain its activities beyond the Project duration.

The implementation of “targeted training” for multi-stakeholder LCUs and PAMBs has also improved the conventional institutional approach to capacity building that focuses on specific agencies. In this new approach, the capacity building activities have benefited a broader constituency and facilitated the leveling of the “playing field” among stakeholders. There is little doubt that this approach has contributed to better coordination and communication, as reflected in the Project successes noted above.

## **5.     *Possibilities for Improvement***

The integration of LCU within the LGU’s structure is a good first step to institute participatory and transparent environmental governance. A further improvement on this setup is for the Project to ensure that local communities, the real *de facto* managers of the country’s forest resources, can also participate in the decision- and policy-making process. This can be achieved by working on membership expansion of the permanent local development councils (PDCs, MDCs) and/or local multi-sector committees created by various laws on environment and natural resources to include local communities’ representatives in LCU.

In order to hasten legislative enactment of the proposed PA proclamations, the Project can expand its partnership/alliance building activities by organizing a legislators’ conference on SMBC’s protected areas to broaden their knowledge about the corridor’s key biodiversity resources and to elicit support for the proposed legislative bills.

Having taken an initiative to establish collaborative undertakings with other USAID partners (EWW and CIEL/Tanggol Kalikasan) that are implementing similar projects within the Sierra Madre Biodiversity Corridor, the Project could further link up with Environmental Governance Project to maximize the use of development resources and better synchronize efforts for forest resource management in Northern Luzon. The planned stakeholders’ conference among USAID partners and others held on 10-12 October 2003 provided a venue to integrate conservation and development initiatives within the corridor.

## **6.     *Sustainability***

Preventing forest destruction by winning PAMB’s support to disapprove the proposed harvesting permit and road rehabilitation by two extractive industries, while improvement of the PA Management Plans is yet to be completed, signifies a positive impact of the Project.

This outcome also suggests that the interventions have begun to result in improved management of the forests within the Sierra Madre Biodiversity Corridor. The sustainability of these successes requires the Project to secure legislative approval of the proposed PAs within the one year left in implementation. Acquiring legislative enactments would facilitate the work of PAMBs and communities to implement the PA Management Plans and environmental laws.

Beyond the development of the PA Management Plans, including livelihood activities, there is no assurance for the post-Project implementation of these plans. A strong potential exists to link the implementation of these plans with funding from the Foundation of Philippine Environment (trust fund), World Wildlife Fund (conservation financing) and the proposed debt for nature swap project through USAID.

Encompassing a huge area of the existing corridor, the creation of new PAs would spread Project resources so thinly that it would be unlikely the Project would build sufficient “on-the-ground management capacity” to ensure long term success. Unless LGUs and other local stakeholders commit additional resources for the continued implementation of the plans, the sustainability of the capacity-building interventions of the Project, as well as the protection of Sierra Madre Biodiversity Corridor, is uncertain.

## **7. Conclusion**

Key activities of the Project largely have been completed to date, and in some instances have even resulted in success stories not anticipated in the Project design. However, the Project design appears to have set an ambitious target by aiming to establish new PAs and extending the areas of existing PAs rather than building and strengthening management of existing PAs. The problem of weak law enforcement manifests the need for intensive and hands-on training and technical assistance to establish “on the ground management capacity.”

Sustainability of LCUs’ activities is a function of available financing by LGUs to enable them to lead discussion and consensus building, including conflict settlement when required, with all sectors concerned for the effective management of the corridor. A bigger challenge for the Project in the remaining year of implementation is how to institute effective institutional mechanisms in which LGUs can cooperate in jointly managing a huge corridor that incorporates many provinces through the PAMB.

### **Documents Reviewed:**

*Conservation International, 2003.* Biodiversity Corridor Planning and Implementation Program - Annual Progress Report FY03: October 1, 2002 - September 30, 2003.

*Conservation International, 2002.* Biodiversity Corridor Planning and Implementation Program - Annual Implementation Plan FY03: October 1, 2002 - September 30, 2003.

*Conservation International, 2002.* Biodiversity Corridor Planning and Implementation Program - Success Stories in the Annual Progress Report: October 1, 2001 - March 30, 2002.

*Conservation International, 2000. Knowledge, Attitudes and Practice (KAP) Baseline Assessment for the Save the Northern Sierra Madre National Park.*

*Office of the Provincial Governor, Cagayan, Executive Order No. 11 series of 2002 Declaring the Cagayan Sierra Madre Biodiversity Corridor as Protected Landscape and Seascape.*

*USAID communication to CI Vice President for Operations on Leader with Associates Cooperative Agreement Award Number LAG-A-00-99-00046-00 dated September 29, 1999.*

*Memoranda of Understanding on Partnership for the Integrated Natural Resources Management Strategy for Nueva Vizcaya and Quirino, both dated March 31, 2002.*

## **J. CONSERVATION FINANCING**

<b>BASIC PROJECT DATA</b>	
Project Number:	Regional Program (USAID-EAPEI)
Grantee:	WWF-US
Grantor:	WWF-US
Grantee:	Kabang Kalikasan ng Philipinas “KKP” to support Marine Conservation and Sustainable financing for the Sulu-Sulawesi Marine Ecoregion
Project Duration:	July 1, 2002 to August 31, 2003 extended up to June 2004 (KKP)
Value:	\$116,500 (WWF-US) \$99,025 granted to KKP reduced to \$81,260 with the reduced amount of \$17,765 given directly to Indonesia
Extension:	September 1, 2003 to June 30, 2004

### ***1. Project Design and Targets***

The Project is part of a regional project that covers activities, which fall under Objective Two and Objective Four of the Sulu-Sulawesi Marine Eco-region (SSME). These activities are:

- ▶ Enhancing conservation action and improving fisheries management at Bunaken National Marine park and the surrounding area. ( implemented by WWF-Indonesia)
- ▶ Enhancing the sustainability of conservation action by creating and expanding long-term financing mechanisms implemented by KKP (WWF-Philippines).

The project draws strength from and builds USAID-assisted and other projects that have gained inroads in generating revenues for marine conservation in the Philippines. The project document mentions examples of these gains, one of which is the Tubataha Reef Marine National Park where a US\$50 dive fee is now being collected from each foreign diver who comes to this outstanding dive site. The revenues help pay for park operating costs and maintenance, fund alternative livelihood programs of local communities, and help create a trust fund to pay the recurring costs of conservation.



Project activities are now being conducted in three sites in the Philippines, as specified in the agreement, and one site in Indonesia. Sites in the Philippines are Balayan Bay in Batangas, more particularly the municipalities of Mabini and Tingloy; and Puerto Galera in Mindoro. All three sites are located in Southern Luzon.

Balayan Bay is home to Anilao in Mabini, Batangas, which was successfully supported by EAP-EI in the past. It is the nearest quality dive site to Manila and significant numbers of tourists. It is ready for the development of a sustainable financing plan. Mabini is the entry point of divers but many dive sites are in adjacent Tingloy Municipality that inevitably will be developed for diving.

Puerto Galera, the third site of the project, is described by the Project Agreement as a “*Man and Biosphere Reserve and also a site of considerable tourism. It is an excellent candidate for conservation financing activities.*”

The Project is both national and eco-regional that transcend country boundaries. It has a Regional Coordinator, although each country has its own full-time staff to supervise field activities, coordinate with site-based stakeholders and liaise with project collaborators (Philippines and Indonesia). The Regional Coordinator is also the head of the Philippine technical staff.

The contract is being managed by KKP (WWF-Philippines), which also receives grants from other donors, such as UNESCO for Tubataja Reef, a world heritage site, land water use zoning in El Nido thru Asia Conservation Company, GTZ in the Visayan Sea, and others.

KKP builds on past accomplishments of its own projects and also of others that have made significant inroads in areas where KKP operate. It also coordinates and works with such government agencies as the DENR and BFAR, at the national and local levels.

## **2. *Implementation Effectiveness and Deliverables***

The Project’s performance indicators are:

- ▶ Obstacles/Opportunities for conservation finance identified from assessment of policies and activities;
- ▶ Estimates for user fees rates from eco-tourism and other users/non-users identified;
- ▶ Economic and legal instruments for sustainable conservation funds identified for each site;
- ▶ An institutional regime for conservation sustainability for each site identified;
- ▶ Project presentation to stakeholders on the results of the assessment and recommended user fees system and other innovative sources of conservation funds; and
- ▶ Establishment of functioning sustainable finance for at least three sites;

At this point, almost all of the first five indicators already are verifiable.

Among the three project sites, Mabini, Batangas advanced ahead of Tingloy and Puerto Galera. Its advantage is a pre-project assessment done by KKP relative to the willingness to pay a dive fee and the amount divers are willing to pay. Mabini passed its SB Resolution in October 2002

entitled *An Ordinance Creating A Coastal Resources Management Board, Prescribing Certain Fees/Charges for the Use of the Municipal Waters of Mabini, Batangas for Diving Purposes, Providing Penalties for Violation Thereof, and for Other Purposes*. The corresponding SP Resolution of the provincial government of Batangas was passed in March 2003. The SB Resolution includes a detailed Implementing Rules and Regulations, perhaps a first in local legislation. Effort deliberately was invested in the IRR to ensure easy and smooth implementation of the Resolution.

The process used in determining dive fees and other activities relevant to the passage of the two resolutions followed well-established practices in participation and transparency.

To date, 460 daily passes at PhP50.00 each and 29 annual passes at P1,000.00 (pro-rated for this first issuance) have been sold, as provided for in the Municipal and Provincial Resolutions. 85% of income goes to the Coastal Resource Management Board (CRMB) and 15% goes to the LGU as part of its general fund. As compared to the Tubataha Reef dive fee of US\$50.00, the dive fee for Mabini is much lower considering that it has a considerable number of local divers (beginners and professionals alike) in addition to the foreigners who flock the area. Besides, the concept of conservation financing is new to its clients and the community. Nevertheless, Mabini looks forward to raising its fees in the future.

The CRMB is multi-sectoral as provided for in the Resolution. It is considered by KKP as the key to the success of conservation financing in the area, working in collaboration with the Bantay Dagat and other NGOs and stakeholders.

### **3. *Timeliness and Cost Effectiveness***

The Municipality of Tingloy has already prepared its draft SB Resolution that has passed second reading. It needs more consultation with stakeholders and other members of the community before it proceeds to a third reading in the municipal legislature. The ratio of income distribution is 80% in favor of the CRMB and 20% for the LGU, 5% more than that in Mabini.

Puerto Galera, although not starting from zero, has some problems. The existing dive fee has created friction between the NGOs and the LGU. The one-page municipal ordinance, passed in 2001 (a year before Project start) prescribes a P50.00 dive fee but does not specify where the revenues should be used, nor does it mention marine conservation. Also, it was passed, according to the NGOs, without proper consultation, which the LGU denies. Thus, the local community calls it an “Executive Order”.

KKP had to do some ground work to allay suspicions that it is trying to legitimize the act of the Local Chief Executive. A survey has already been done and results presented to stakeholders in a workshop. Presentation to SB and divers will take place shortly.

These three diving destinations are the nearest to Manila and have the most potential into becoming a show-case for conservation financing. Although training of the CRMB is not a deliverable under the project, KKP feels very strongly about capacitating the members to ensure that they are ready technically and administratively to handle their responsibilities.

The role of the project in helping attain SO4 indicators lies in its ability to use the bigger portion of dive revenues towards marine conservation through establishment of marine sanctuaries, environmental law enforcement, and educating the stakeholders.

#### **4. *Possibilities for Improvement***

Mabini and Tingloy are adjacent municipalities, although at present divers and other tourists pass through Mabini where most dive shops are located, divers can access Tingloy (where many top dive sites are located) by boat from many places and it may not be possible to monitor such entrances into the waters of Tingloy for purposes of collecting dive fees.

A brewing plan to have a joint Memorandum of Agreement between the Municipalities of Mabini and Tingloy for purposes of conservation financing may be the logical action. This proposal needs more effort on the part of KKP to make stakeholders and the two LGUs understand the economic, social, and even political benefits to the local chief executives of both municipalities, of such a joint undertaking.

#### **5. *Contributions to Policy Development and Institutional Reform***

The case of Mabini, Batangas is a double first in local legislation. The resolution is the first of its kind in the country in terms of content and the accompanying IRR. Second, the creation of the Coastal Resource Management Board is also, according to Dr. Jose Padilla, the Regional Coordinator for the project and head of the Philippine technical team, a first. This legislation may well be developed into a template so that other LGUs will not need to spend precious time drafting its own local policy in conservation financing.

The lessons learned in the case of Puerto Galera deal with both credible legislation and institutionalization. The lack of participation and transparency in passing the existing dive fee resolution has resulted in low, if any, ownership value of the policy among stakeholders. The same reasons also hindered effective institutionalization of the questionable concept of revenue generation from dive fees. KKP staff believes their groundwork has restored some trust in the local legislature, and hopefully that trust will be fully regained with more transparency and participation in succeeding activities.

#### **6. *Sustainability***

Using Mabini, Batangas as the first showcase for conservation financing is nearing reality. KKP, however, feels the need to professionalize the CRMB through training so that members can handle their responsibilities well. Training will focus on the CRMB's transparency in determining how the funds should be used and technical knowledge that will enable it to professionally determine how funds should be allocated, and how to perform its other functions as specified in the resolution. According to the Project Coordinator, the key to sustainability is the state of readiness and professionalism of the CRMB.

The development of a guidebook on how to set up conservation financing is a deliverable under a separately funded part of the regional project. It has just started implementation, but KKP needs more sites (at least five or six) to enable it to come up with a reasonably comprehensible

guidebook that includes ordinance models and other easy to adopt templates. The limited amount of the grant and the short duration of the project are constraints in the expansion of pilot sites.

The guidebook will enable other LGUs to replicate conservation financing in the pilot sites. It will also guide new members of the CRMB, new LGU executives and staff and others. Even in areas where conservation financing is already legitimized and working well, a guidebook is a necessary reference material.

## **7. Conclusion and Recommendations**

Marine conservation is a growing regional concern – a significant part of the effort in protecting and improving sustainable management of natural resources. USAID-Philippines SO4 objective on improved environmental governance clearly shows this concern. WWF, through a USAID grant pursues sustainable conservation by creating and expanding long-term financing mechanisms.

Conservation financing efforts is gaining ground with Tubataha Reef and the Municipality of Mabini, as initial showcases. The Municipality of Tingloy, also in Batangas is following the footsteps of Mabini and will soon have a legitimate and viable conservation financing program. Next target is Puerto Galera in Mindoro Province. All three municipalities are the nearest dive sites to Metro Manila. Their potential for conservation financing is quite large, but WWF needs more sites to enable it to establish guides and standards for conservation financing in the country.

It is recommended that once a guidebook and the necessary templates are developed, test sites be chosen as observation and learning areas for actual development of conservation financing programs.

It will be more effective if, in the process, WWF is able to train LGUs, NGOs, POs, and other local service providers, who will in turn assist other interested LGUs. The long experience and expertise of WWF in this endeavor will be very valuable in creating such a corps of trainers who will be able to train others in the use of the guidebook and the templates developed.

### **Documents Reviewed:**

WWF-Philippines, *Raising Revenues for Marine Biodiversity Conservation*

Kabang Kalikasan ng Pilipinas (WWF-Philippines), *Sulu-Sulawesi Seas Environmental Protection Crusade: Final Report to WWF-US* \*Grant #HQ23 July 30, 2000-December 30, 2001 (extension until October 2002)

WWF Grant Agreement #BZ 14, June 27, 2002, World Wildlife Fund, Inc. (WWF) *Grant Agreement with Kabang Kalikasan ng Pilipinas on “Marine Conservation and Sustainable Financing for the Sulu-Sulawesi Marine Ecoregion (EAPEI)*

**K. ENTERPRISE-BASED BIODIVERSITY CONSERVATION PROJECT  
(CAPACITY BUILDING FOR COMMUNITY-BASED FOREST  
MANAGEMENT (CBFM) FOR IN SITU BIODIVERSITY CONSERVATION IN  
THE PHILIPPINES)**

BASIC PROJECT DATA	
Project number:	LAG-A-00-99-0052-00
Contractor:	EnterpriseWorks Worldwide
Contract signed:	18 October 1999
Project duration:	30 September 2001-30 September 2006
Value:	\$ 719,012.00

**1. Project Design and Contribution to SO4 Targets**

This Project was designed to assist communities in areas covered by Community-Based Forest Management (CBFM) agreements in Region 2 (Cagayan, Isabela, Nueva Vizcaya and Quirino Provinces) and Region 4 (Palawan Province) to establish viable enterprises by processing natural resource-based products that would increase their incomes and generate capital needed to manage the resource base. Using enterprise development as an entry point in CBFM, the Project's overall objective was to bring 300,000 ha of forestlands already in CBFM program under improved management in partnership with the proposed CBFM provincial federations.

Within the contract the Project was tasked with:

- ▶ Conducting baseline assessment to determine the current activities of CBFM POs, the threats to biodiversity, and the possible enterprises that promote responsible natural resource management while providing sustainable economic activities;
- ▶ Complying with the requirements of DENR for effective implementation of the CBFM program at the field level;
- ▶ Building capacity of CBFM federations to manage their forest resources as well as their community-based enterprises; and
- ▶ Implementing biological monitoring plans.

**2. IMPLEMENTATION EFFECTIVENESS AND DELIVERABLES**

**2.1 Baseline assessment.** The Project employed a participatory approach in gathering and validating community resource and organizational information, as well as in identifying ongoing resource management practices and enterprise activities initiated by CBFM groups, the major threats to biodiversity, and community needs to achieve improved management of the forest cover. With this approach, CBFM POs (composed of migrant farmers and indigenous peoples) have been provided a clear understanding of the institutional and management capacity needs of the enterprise development process.

The scope of baseline assessment appears to be very comprehensive, as observed by the Assessment Team from the assessment results for Cagayan Province, as they also reveal the

existing organizational and financial positions of various CBFM POs. From this experience, the 25 CBFM POs in Cagayan Province saw the need to launch an aggressive membership recruitment to increase their numbers for more effective conservation activities and well-coordinated implementation of business enterprises. They also identified the kinds of resource use conflicts (unclear delineation of CBFM area boundaries, encroachment by landless lowlanders, and timber poaching). This study resulted in the provision of training in perimeter survey for CBFM POs to assist in the ground delineation of their CBFM area boundaries.

Overall, baseline assessment was conducted in 126 CBFM sites (25 sites in Cagayan Province, 9 in Isabela Province, 20 in Quirino Province, 20 in Nueva Vizcaya Province and 32 in Palawan Province), which contributed to systematic identification of the key threats to biodiversity and the recommended mitigating measures. This information serves an important guide for the newly formed CBFM federations in building capacity to integrate on-going and planned enterprise development into their current conservation activities.

The Assessment Team was informed that the EWW staff were able to focus the sub-sector approach for designing business enterprises on specific products (e.g., Gmelina production) that have higher potentials for sustainability of raw material supply and greater opportunities for enterprise development (e.g., processing and marketing). However, the Project efforts to push the identification and development of viable enterprises have been hampered by the weak institutional and management capacity of existing CBFM groups. This organizational weakness, which was discovered during the baseline assessment, was contrary to the basic design assumption of having functional POs in CBFM areas as a precondition for the granting of CBFMAs. As elaborated in Section 3 below, the Project has to adopt a flexible approach to capacity building of CBFM POs by providing training on organizational development and management, which appears to have taken longer than anticipated.

**2.2 Supporting POs to meet DENR requirements for effective implementation of the CBFM program.** The Project assisted CBFM POs to carry out their obligations as stipulated in their respective CBFMAs and the subsequent requirements (Community Resource Management Framework (CRMF), Resource Use Plan (RUP) and Annual Work Plan (AWP)). The Assessment Team was informed that the processing and approval of CRMF, RUF and/or AWP by DENR have been delayed, and this has correspondingly caused delays in the implementation of POs' resource management and enterprise development plans and activities.

**2.3 Capacity building of CBFM federations.** Capacity building activities were designed to "improve CBFM federations' abilities to provide sustainable services to their members in forest resource use planning and management through improved coordination with government, NGOs and private industry." Another important intention of this activity was to build the "federations' capacity to administer biological monitoring and meet legal compliance with forestry regulations."

Since capacity building was focused on federations, the Project helped the existing CBFM POs to merge and form four provincial-level federations, where none existed before, in Cagayan Valley (United Cagayanos Movement for Environmental and Economic Development), Isabela, (Isabela Movement for Sustainable Environmental and Economic Development), Palawan (Palawan Federation of CBFMA/CADC Holders Cooperative, and Quirino (Q-SEED). This formation of federations was already a considerable achievement by the Project, which are now

in a better position to articulate CBFM community needs in a much broader forum, and negotiate with DENR, LGUs and other parties to realize their needs and interests – a situation not effectively accomplished by individual and sometimes uncoordinated actions of CBFM POs before. In Nueva Viscaya, the Project assisted in strengthening an existing provincial federation (BESTKAYA) by reaching out to other non-member CBFM POs through the conduct of baseline assessment.

The Assessment Team was informed that majority of the existing CBFM PO officers are barangay (lowest local government unit) officers, and there is a high possibility that they also comprise the federation officers. This is a potential weakness of existing POs with the real problems and interests of the general membership not fully articulated and guaranteed in organizational decisions.

In order to strengthen the advocacy work of the federations with other CBFM stakeholders, the Project also initiated the formation of provincial-level multi-sector task forces composed of the federations, DENR, LGUs and NGOs in areas where such structures have not existed before. As of this date, two task forces were already established in Cagayan and Quirino, while in Palawan the Project sought membership in an existing structure. With these task forces, linkages of CBFM federation with other stakeholders have increased, and this was expected to “promote people and forest-oriented implementation of CBFM policies and procedures.” The legitimization of task forces was achieved through a memorandum of understanding (MOU).

In Isabela and Nueva Vizcaya, the Project started initial talks with prospective task force members. However, there appears to be very little activities that the task forces have so far conducted beyond organizational and planning meetings. The participation of private sector also appears to be minor in the present composition of the task forces, and the Project needs to take a more aggressive strategy to ensure its membership.

Capacity building at the CBFM PO level focused on: (i) hands-on training in resource inventory, perimeter survey, land use planning, and preparation of annual work plan (AWP), resource use plan (RUP) and initial environmental examination (IEE); and (ii) provision of business development services such as installation of financial and management systems, and formulation of business policies and procedures. In the preparation and implementation of these activities, EWW collaborated with Conservation International (CI) for provision of relevant maps, training on forest flora and fauna, and co-financing for food and transport expenses. These two sets of capacity building interventions were aimed at improving skills and strategies of selected CBFM POs and federations in forest management while at the same time developing and integrating systems and procedures for enterprise development.

**2.4 Implementation of biological monitoring.** Biological monitoring and biodiversity threats abatement tools were introduced to selected CBFM POs in Palawan and Region 2, resulting in production of community maps reflecting the types and extent of threats for the same CBFM areas. Preparation of biological community monitoring plans was also started, including its incorporation in the Annual Work Plans (AWPs) and Community Resource Management Frameworks (CRMFs) of the CBFM POs concerned. The early production of biological monitoring plans was a landmark achievement by itself. The major challenge to the Project is making sure that those plans are implemented within the remaining three years on the Project.

### **3. *Timeliness and Cost Effective Use of Resources***

The four main tasks of the Project are at various stages of completion. The conduct of baseline assessment has evidently been of a high professional standard, and the results for Cagayan Province lend credence to this. The accumulated information and experience from this task have provided the task forces with reliable basis for supporting CBFM federations and POs. The Assessment Team found the baseline assessment results to be quite comprehensive, and useful for designing a holistic approach to resource management and enterprise development.

Progress in task #2, i.e., providing support to POs in complying with DENR requirements for CBFM program implementation, has been stalled by the delay in the “resource use rights” instruments processing and approval process of DENR. With the creation of task forces, the Project hopes that the improvement in coordination among CBFM stakeholders would speed up such process. The support in the preparation of CBFM related plans and enforcement of DENR prescribed policies provided to CBFM POs has enabled the Project to maximize the use of its personnel.

In capacity building of CBFM federations and POs, the Project has executed this task to the best advantage of these community organizations and in several instances even conducted additional activities to respond to the identified basic organizational development needs of CBFM POs. The Project’s ability to respond to those needs, and work with other USAID-funded projects to maximize resource sharing, was commendable.

Although actual implementation of biological monitoring has yet to take place, the Project has already laid down the basic tools for biodiversity threats abatement, discussed these tools with CBFM federations/POs, and initiated the preparation of monitoring plans. The Project should be in the position to start implementing those plans within this year.

At this early stage of implementation, the Project has demonstrated effective use of existing resources by maintaining a few but competent staff (7 staff for four provinces in Region 2 and 4 staff for Palawan Province in Region). In a meeting with two Project staff in Quirino Province, the Assessment Team noticed their professionalism and commitment to work as evidenced from their articulation of the Project activities and achievements.

### **4. *Contributions to Policy Development and Institutional Reform***

Given the “grassroots” focus of the Project, interventions in policy development and institutional reform have taken place at the provincial and municipal levels. The formation of multi-sector task forces, which was initially covered by MoAs, was further strengthened by the issuance of executive order by the provincial governor in Palawan Province. This administrative act has institutionalized the task force within the provincial government structure, and ensured its sustained operation for years to come.

The multi-sector task forces would help to promote participatory and transparent forest governance in CBFM areas. The inclusion of CBFM federations and their partner NGOs in the task forces has now given them opportunity to participate in resource management planning and policy making processes. The task forces also provided a venue for CBFM POs to bring out and seek support for their needs and problems as identified earlier relative to implementation of the



CBFM program, including enterprise development. Local chief executives, as exemplified by the Palawan provincial governor, appear to have been more committed than they tend to be in non-participatory governance settings.

The baseline assessment results have provided better information to the task forces and its constituent members for better environmental governance.

## **5. *Sustainability***

There appears to be high prospects for the Project to achieve its overall objective (i.e., improved management of 300,000 ha of forest cover in Sierra Madre Biodiversity Corridor in Region 2 and Palawan Biodiversity in Region 4) with the creation of the multi-sector task forces that could trigger improvements in coordination and collaboration works to support CBFM POs and federations.

The speeding up of DENR's approval of the document requirements for granting resource use rights is critical to enable POs and their federations to start-up CBFM program implementation on time. With the task forces, the linkages of CBFM federations established with relevant national and local government units and NGOs would hopefully facilitate approval of those much needed resource use permits. The legitimization of these task forces, as in Palawan Province, holds promise to the sustainability of the activities that they have initiated or are planning to do, in years to come.

The integration of biological monitoring plans in some AWP and CRMFs, even at this early stage, indicates a broad community acceptance and thus provides hope for the eventual implementation of those plans.

One concern of the Assessment Team is whether there will be real potential for viable and sustainable enterprise development in most CBFM areas with the unresolved root causes of threats to biodiversity, the inadequate capacity of POs to raise investment capital, and the lack of access to markets. The approach to analyze business potentials using the product's value chain was in the right direction, and would likely help to determine which products or resources yield bigger and more sustainable returns to investments. However, the Project may need to bring in the banking and business sectors in the discussions of enterprise development to assist federations and POs to overcome some of their inherent limitations.

## **6. *Possibilities for Improvement***

Some of the possibilities for improvement of the Project essentially require more targeted approach to the following tasks:

- ▶ bringing banking and business sectors in discussions of business enterprise development with CBFM federations and/or POs;
- ▶ focusing on building entrepreneurial skills of POs as identified in the baseline assessment as those are crucial to successfully operate enterprises in a business environment;
- ▶ carefully analyzing and developing the ability of POs to be competitive with other groups in the same business line;

- ▶ working at the policy level to remove the fundamental constraints or disincentives to promoting community-based management of forestlands and its resources (i.e., by simplifying documentary requirements such as CRMFs, RUPs, AWP, etc.);
- ▶ making the task forces more effective instruments for open dialogue among stakeholders in resolving issues faced by POs; and
- ▶ “de politicizing” the POs/federations by widening the base for participation of other key leaders outside of barangay and other LGU officials or by prohibiting elected government officials to hold PO/federation positions.

## **7. Conclusion**

It may be premature to make any conclusive statement about the impact and sustainability of the Project considering that organizational strengthening, enterprise assessment and enterprise support service linking have taken longer than expected, and that the basic policy constraints to effective implementation of CBFM program have yet to be overcome.

Based on the information gathered from EWW staff, and interview with Forest Management Bureau (FMB) staff, the Assessment Team learned that there were three requirements of the CBFM program that hinders its effective implementation:

- ▶ The three major plans (CRMF, RUP and AWP) required by DENR from POs as preconditions for granting of tree cutting permits;
- ▶ Preparation of a RUP for each resource (e.g., timber, rattan, resins) targeted for harvesting and utilization;
- ▶ Conduct of IEE for targeted forest areas for resource harvesting and utilization.

The need to produce several plans prior to granting of resource use permits (e.g., tree cutting permit) appears to have been excessive and impose an unnecessary burden on most POs that have little or no prior experience in preparing plans.

The requirement for a PO to prepare RUPs if it “plans to use some forest resources” also appears to be inconsistent with the basic concept of the CBFM program (i.e., “People first and sustainable forestry will follow”). All POs applying for CBFMAs are understandably aspiring to have right to use forest resources for the development of sustainable livelihood activities. This points to an urgent need for integration and simplification of CRMF and RUP.

Preparation of IEE requires specialized technical skills that not even DENR frontline offices (PENROs and CENROs) have. This requisite appears to have been impractical, since POs could hardly produce IEE reports that would readily pass the standards of Environmental Management Bureau (EMB). DENR through the field offices of EMB should prepare IEE as part of its basic services to the poor farmers and indigenous peoples within CBFM areas.

Overall, the Project approach appears to have been technically effective, and is fundamental to the sustainability of CBFM. The selection of regions was strategic, given the high global biodiversity significance of these regions. Performance to date has been more than satisfactory, but can be improved in terms of the areas recommended in Section 6 above to enhance the prospects for sustainability and achievement of desired impacts.

## Documents Reviewed

EnterpriseWorks Worldwide, 2003. Briefing Kit, produced by Tuguegarao Field Office.

Powerpoint presentation on the Project Activities and Accomplishments as of August 2003.

Baseline Assessment Results for 25 Cagayan POs.

DENR Administrative Order No. 96-29 Rules and Regulations for the Implementation of Executive Order 263 (Community-Based Forest Management Strategy).

### L. US-ASIA ENVIRONMENTAL PARTNERSHIP (USAEP)

BASIC PROJECT DATA	
Project name:	US-Asia Environmental Partnership (USAEP)
Project number n/a:	Regional Program, multiple grants and contracts
Contractor:	Louis Berger, Institute for International Education, others
Contract signed:	n/a
Project duration:	ongoing
Value:	\$1,026,913 (draft budget) for FY 2004

#### 1. Design and Targets

**Regional structure:** The US-Asia Environmental Partnership (USAEP) is an ongoing regional program that has had activities in the Philippines for a number of years and is expected to continue for at least several more.

US-AEP's objective is to promote cleaner and more efficient cities and industries in Asia. By creating partnerships that support the exchange of best practices and technology, USAEP aims to help developing Asian countries:

- ▶ reduce the environmental impacts of rapid growth;
- ▶ improve their ability to create and enforce environmental policies;
- ▶ increase industrial efficiency and reduce waste.

The Partnership has Programs in the Philippines, Indonesia, India, Sri Lanka, Thailand and Viet Nam. US Partners include: the US Council of State Governments (CSG), the International City/County Management Association (ICMA), The Asia Foundation (TAF), the Alliance to Save Energy (ASE), the Planning and Development Collaborative (PADCO), the Kenan Institute Asia, the US Environmental Protection Agency (EPA) and others. Louis Berger International (LBII) provides technical support and manages many of the activities. The Institute for International Education (IIE) manages the Partnership's training, study tours and exchange programs.

USAEP is funded by the USAID Asia-Near East Bureau in Washington but has become increasingly field-driven and is now coordinated from the new USAID Regional Office in

Bangkok and by personal service contract (PSC) Program Managers attached to the USAID Mission in each country.

**Philippines Program:** The over-arching objective of the USAEP in the Philippines is improved environmental governance. Table H.1 outlines activities undertaken during FY 2003 and their contributions to USAEP and USAID/Philippines Strategic Objectives. Table H.2 summarizes the FY 2004 workplan.

These activities cover a very wide agenda. The USAEP approach is built around short-term workshops, exchanges and study tours rather than long term projects. The intention is to build networks and share best practices from the US, the Asia region and from within the Philippines that help inform stakeholders and decision-makers. As ideas take root, USAEP tries to help them grow into initiatives or policy change. Some then become longer-term projects of the USAID mission or other donors. In the early years of the USAEP program, the emphasis was on technology transfer measured in sales by US companies. Today, technologies are still important, but the emphasis is on capacity and improved environmental management.

**Targets:** Specific targets of USAID's Eco-Governance Program being addressed by USAEP activities in the Philippines (and current status) are:

- ▶ A solid waste management design manual for buildings published and adopted by at least 5 LGUs (manual has been completed by the Solid Waste Management Association of the Philippines - SWAPP in collaboration with a group of local architects);
- ▶ At least 75 staff from DENR, the Department of Health (DOH), Philippine Economic Development Zone Authority (PEZA), the Laguna Lake Development Authority (LLDA), the Metro Manila Development Authority (MMDA), and the Department of National Defense (DND) trained in toxic and hazardous waste management (program is underway with the University of the Philippines);
- ▶ Increased participation of key stakeholders in community-based water quality management for Laguna Lake, the Iloilo River and the Mactan Channel (stakeholders have participated in preparation of development plans and action plans for each area);
- ▶ Implementation issues identified in order to support the design and passage of the proposed Clean Water Act (stakeholder workshops to identify implementation issues held this month);
- ▶ Ten companies trained and implementing Greening the Supply Chain programs (17 local suppliers to Nestle's have made environmental management improvements and 100 of their technical and management employees have participated in environment training programs).

TABLE H.1

## US-AEP STRATEGIC FRAMEWORK

## US-AEP Philippines FY 2003 Activities and their contribution to USAID/Philippines and US-AEP SOs and IRs

US-AEP/Philippines FY 2003 Programs and Activities	US-AEP Strategic Objective 1: Sustained impact on the key people, institutions, and forces that drive the movement to a clean revolution in Asia	USAID/Philippines Strategic Objective 4: Productive, life-sustaining natural resources protected	
	US-AEP Intermediate Result(s) and Sub-Intermediate Result(s) under SO1	USAID/Philippines Sub-Intermediate Result(s) under SO4	USAID Philippines Intermediate Result(s) under SO4
Program 1: Promoting effective implementation of environmental regulations through access to US and Asian best practices and technology solutions			
1. Establish a toxic and hazardous waste (THW) certificate program with the University of the Philippines (UP)	IR 1.1 Improved public policy and environmental regulations IR 1.2 Improved urban environmental management (IR 1.2.1 Improved urban policies and information flow)	IR 4.2.1 Capacity to manage hazardous and toxic wastes improved	IR 4.2 Local government units to solve waste management problems in environmentally sound ways
2. Prepare THW guidelines through UP case study			
3. Assist DENR in implementing persistent organic pollutants (POPs) program	IR 1.4 Increased transfer of U.S. environmental technology, expertise, and practices to Asia through trade and investment	IR 4.2.2 Local capacity to manage solid waste improved	IR 4.3 Reduced energy costs IR 4.4 expanded use of renewables IR 4.5 Reduced vehicle emissions
4. Introduce THW technology solutions to environmental service providers			
5. Prepare technical manual for architects and developers on meeting solid waste management (SWM) regulations in the design of new buildings	IR 1.2 Improved urban environmental management (IR 1.2.1 Improved urban policies and information flow; and IR 1.2.3 Increased local capacity to implement sustainable urban environmental improvements)	IR 4.2.3 Local capacity to reduce pollution of water resources improved	IR 4.2 Local government units to solve waste management problems in environmentally sound ways
6. Send representatives to the Solid Waste Association of North America (SWANA) Solid Waste Exposition and Solid Waste Management Association of the Philippines (SWAPP) annual conference			
7. Send representatives to the annual Water Environment Federation (WEF) Conference	IR 1.4 Increased transfer of U.S. environmental technology, expertise, and practices to Asia through trade and investment	Crosscutting IRs: Capacity of cities to reduce air pollution increased	IR 4.2 Local government units to solve waste management problems in environmentally sound ways
8. Send representatives to the annual Air and Waste Management Association (AWMA) Conference			
9. Support the use of new and renewable energy (NRE) technologies	IR 1.2 Improved urban environmental management (IR 1.2.3 Increased local capacity to implement sustainable urban environmental improvements)	IR 4.2.1 Capacity to manage hazardous and toxic wastes improved IR 4.2.2 Local capacity to manage solid waste improved IR 4.2.3 Local capacity to reduce pollution of water resources improved	IR 4.2 Local government units to solve waste management problems in environmentally sound ways
10. Send representatives to APEC International Clean Energy Business Development Conference			
11. Sponsor participants to activities and workshops under the Clean Air Initiative	IR 1.2 Improved urban environmental management (IR 1.2.3 Increased local capacity to implement sustainable urban environmental improvements)	IR 4.2.1 Capacity to manage hazardous and toxic wastes improved IR 4.2.2 Local capacity to manage solid waste improved IR 4.2.3 Local capacity to reduce pollution of water resources improved	IR 4.2 Local government units to solve waste management problems in environmentally sound ways
12. Support Philippine involvement in the Clean Air Training Network for Asia			
13. Identify specific opportunities to help advance projects eligible for donor funding at the project preparation stage	IR 1.2 Improved urban environmental management (IR 1.2.3 Increased local capacity to implement sustainable urban environmental improvements) IR 1.4 Increased transfer of U.S. environmental technology, expertise, and practices to Asia through trade and investment		
Program 2: Promoting improved enforcement and compliance mechanisms through national dialogue			
1. Set priorities for strengthening enforcement in the context of a newly filed bill establishing a new national level enforcement agency	IR 1.1 Improved public policy and environmental regulations IR 1.2 Improved urban environmental management (IR 1.2.2 Improved municipal technical and financial management systems)	IR 4.2.3 Local capacity to reduce pollution of water resources improved	IR 4.2 Local government units to solve waste management problems in environmentally sound ways
Program 3: Promoting greening the supply chain and cleaner production			
1. Support business associations in implementing "greening the supply chain" programs with industry	IR 1.3 Improved industrial environmental performance (all sub-IRs)	IR 4.2.1 Capacity to manage hazardous and toxic wastes improved IR 4.2.2 Local capacity to manage solid waste improved IR 4.2.3 Local capacity to reduce pollution of water resources improved	IR 4.2 Local government units to solve waste management problems in environmentally sound ways
2. Promote Global Reporting Initiative in Philippines	IR 1.3 Improved industrial environmental performance (IR 1.3.1 Increased corporate commitment to cleaner production; and IR 1.3.3 Enabling environment for improved corporate environmental performance created)		
Program 4: Supporting local implementation of community-based and integrated environmental action planning to improve water resources			
1. Improve capacity of multi-sectoral groups (e.g. Laguna, Batangas, Cebu) to develop and implement community-based action plans around the improvement of water bodies, i.e. rivers, bays, and channels	IR 1.2 Improved urban environmental management (all sub-IRs)	IR 4.2.3 Local capacity to reduce pollution of water resources improved	IR 4.2 Local government units to solve waste management problems in environmentally sound ways
Program 5: Strengthening local government associations			
1. Strengthen League of Cities of the Philippines in facilitating information exchange between institutions, governments, private business, and local governments	IR 1.2 Improved urban environmental management (IR 1.2.1 Improved urban policies and information flow)	IR 4.2.2 Local capacity to manage solid waste improved	IR 4.2 Local government units to solve waste management problems in environmentally sound ways

## 2. *Implementation Effectiveness and Deliverables*

In FY 2002 and 2003, USAEP funded participation by about 90 local and national officials, legislators, jurists, business people, managers, technicians and representatives of non-government and civic organizations on study tours to the US and over 100 on exchanges within the Philippines or other countries in Asia. Many more have participated in local workshops and stakeholder meetings. This focus on stakeholders and decision-makers is producing results well beyond specific targets. Examples include:

**Jobs for the Community - An Important Link in the Green Supply Chain.** In Nasugbu, a composting facility run by the Luntiang Nasugbu Multipurpose Cooperative is generating employment, developing skills, and producing income for the community. Sponsored by Central Azucarera Don Pedro (CADP), the largest producer of raw sugar in the country, the facility processes most of the firm's organic waste and will soon expand to accept segregated municipal waste. In addition, the company is working with the cooperative to develop and market an organic fertilizer with chicken dung purchased from local poultry farms that will benefit workers, farmers, and the company, while reducing waste. The composting facility is an outgrowth of the US-AEP Greening the Supply Chain program, pioneered by Nestle Philippines.

**Improved Health Care Waste Management.** With USAEP support, representatives of the Philippines Department of Health (DOH) have been looking at US technologies for health care waste management. The Philippines Clean Air Act stipulates that medical institutions and hospitals must phase out their use of medical waste incinerators. USAEP arranged visits to California, New Jersey, and New York for first hand demonstrations of autoclave and microwave technology, the two most widely used non-burn technologies, and continues provide information on policies and infrastructure needed to manage medical waste.

**TABLE H.2**

### **USAEP Programming for FY 2004 (draft workplan)**

▶	improved environmental governance
•	improve DENR and LGU capacity to implement the Clean Water Act
•	improve DENR enforcement capabilities
•	strengthen Court capacity to enforce environmental regulations
▶	improved air quality
•	increase awareness of effects of air pollution on health
•	pilot programs to reduce (two stroke) tricycle emissions
▶	improved water quality
•	strengthen community based environmental management
•	help LGUs identify low-cost wastewater treatment technologies
•	assist Mactan Channel Multi-sectoral Management Council with fund raising
▶	improved management of solid/hazardous waste
•	strengthen capacity of LGUs to implement solid waste management plans
•	strengthen capacity to manage toxic and hazardous waste
•	assist in development of a POPs inventory (persistent organic pollutants)
•	facilitate development of a chemical emergency response program
▶	improved resource efficiency and management
•	introduce water and energy efficiency ("watergy") program
facilitate implementation of the Philippines Environmental Partnership Program	

### **3. *Timeliness and Cost-Effective Use of Resources***

The USAEP program appears to be providing good value. Because USAEP has such a wide range of partners, it provides a facility for relatively quick and flexible response to opportunities particularly in urban environmental management, an area where the Mission does not now have major projects.

In addition, many USAEP activities leverage collaboration with other donors, notably the Asian Development Bank and the World Bank and substantial pro-bono support from US agencies, organizations and companies participating in exchange visits. The USAEP FY 2004 workplan (draft) shows activities with an estimated total cost of a little over \$1,600,000 of which approximately \$1,000,000 is from the USAEP (budget not yet approved) and \$600,000 including in-kind counterpart contributions from participating organizations in the US and the Philippines.

### **4. *Contributions to Policy Development and Institutional Reform***

USAEP and its partners have been actively engaged in activities that supported development and, now, implementation of the Clean Air Act and the Solid Waste Management Act and USAEP is currently supporting workshops discussing implementation of the proposed Clean Water Act. The US EPA has provided training for inspectors and USAEP is supporting the DENR on a legal and institutional evaluation of issues facing the Pollution Adjudication Board (PAB) in enforcement of environmental laws. USAEP's "Regulatory Dialogue" is also working with judges and the legal profession to help build capacity for handling court cases.

In addition, regional activities of USAEP help strengthen the part that Philippine institutions can play. Representatives of water utility associations from the Philippines, Indonesia, Thailand, Malaysia and Vietnam met in Hanoi 2002 to form the Southeast Asian Water Utilities Network (SEAWUN). Established with assistance from US-AEP and the Asian Development Bank, SEAWUN will address issues related to the management of municipal water systems and promote information sharing, advocacy, policy reform and regional cooperation between water utility associations in Southeast Asia.

### **5. *Possibilities for Improvement***

There is also probably room for leveraging with other projects in the EcoGovernance Program. The work of USAEP's Regulatory Dialogue to strengthen the capacity of the Courts to hear environmental cases and the work of the Tanggol Kalikasan with communities on legal rights in forest and coastal management might each benefit from periodic exchanges and coordination. The two activities appear to be quite complimentary.

Similarly, USAEP funded support to the Solid Waste Management Association of the Philippines (SWAPP) in the development and publication of solid waste management training manuals might be useful to the Eco-Gov Project in development of the training modules in the solid waste management component of their work with LGUs.

## **6. Sustainability**

The breadth of USAEP activities is very wide. For the most part, that is a plus for USAID's environment program, but it also runs the risk of being shallower than needed for some activities to have impact. Program managers do appear to be monitoring the portfolio for successes and a number of smaller activities have grown into more significant initiatives.

## **7. Conclusions and Recommendations**

The USAEP program appears to be delivering value and good leverage of a relatively modest budget. It also provides a facility for quick and flexible response to opportunities particularly in urban environmental management, an area where the Mission does not now have major projects.

Program managers should continue to monitoring the portfolio for successes and continue to selectively grow some of the smaller activities into more significant initiatives.

### **Documents Reviewed**

USAEP: website - [www.usaep.org](http://www.usaep.org)

USAEP: Updates 2003 (bi-monthly reports).

USAEP/Philippines: Draft FY 2004 Workplan, September 12, 2003.

USAEP/Philippines: FY 2003 Workplan, January 6, 2003.

USAEP/Philippines: Success Stories 2002 - Annex 1 to USAEP FY 2003 Workplan.

### **CROSS-CUTTING ISSUES**

#### **1. Government Budget Constraints**

At the present time the Department of Environment and Natural Resources has virtually no funds for program expenditures. Ninety-five percent of the budget goes for personnel costs. A big part of the reason for that is that nearly a third of the national budget is consumed with debt service. By the time the essentials of government operations are paid, there is nothing left for developmental investment. The primary responsibility for natural resource management now resides in the local government units and financing is in LGU budgets. DENR has very little money for program activities but it does have well-trained technical staff who can be very useful to the LGUs as they implement their plans. EcoGov assistance can be particularly useful in matching the skills of the trained DENR technicians with the specific requirements of LGUs that planning and implementing natural resource programs.

#### **2. Population Growth Rate and Family Planning**

The Philippines population growth rate is about 2.3% pa, adding approximately 1.61 million new people this year on a population base of 70 million. A high percentage of the new additions will



be babies born into poverty and growing up in stiff competition for the natural resources already stretched beyond a sustainable rate of utilization.

A family planning component integrated into the natural resource management and conservation strategy would bring a synergistic affect and add value to the efforts of both programs. Communities that understand the importance of maintaining their natural resources for the use of future generations are much more likely to embrace family planning education programs. There are examples of small-scale projects that incorporate both family planning and community based natural resource management. These will make a logical starting point in the design of a broader scale national program.

### **3. Governance, Institutional Development and Human Resource Development**

There are a number of cross-cutting issues in governance, institutional development and human resource development discussed in Section IV of this report.

## **Bibliography**

WWF-Philippines, *Raising Revenues for Marine Biodiversity Conservation*

Kabang Kalikasan ng Pilipinas (WWF – Philippines), *Sulu-Sulawesi Seas Environmental Protection Crusade: Final Report to WWF – US \*Grant # HQ23 July 30, 2000 – December 30, 2001 (extension until October 2002)*

WWF Grant Agreement # BZ 14, June 27, 2002, *World Wildlife Fund, Inc. (WWF) Grant Agreement with Kabang Kalikasan ng Pilipinas on “Marine Conservation and Sustainable Financing for the Sulu-Sulawesi Marine Ecoregion (EAPEI)”*

## **IV GOVERNANCE, INSTITUTION AND CAPACITY BUILDING**

### **A. GOVERNANCE**

The trilogy of **transparency**, **accountability** and **participation** that forms the central elements of EcoGov Program calls for changes or improvements in rules, processes and behavior in the management of forests, coastal areas and solid wastes.

**Definition:** Participation in the context of governance requires all stakeholders, particularly those whose survival depends on natural resources, to be engaged *in the process of decision-making*, as against less direct forms of participation (e.g., information, consultation, implementation or benefits). This process increases the chances of these stakeholders taking ownership in, and becoming more committed to the outcomes of the joint decision-making process. It follows that transparency is required that goes beyond physical (use of bulletin boards, process flowcharts, etc.) and administrative (publication of enacted laws, administrative orders, agency mandates and functions, procedures and requirements for application of tenurial instruments and utilization documents, list of projects funded through various sources, etc.) expressions. This kind of transparency is substantive in which national and local governments as well as their established multi-sector bodies, will be required to render or submit reports and documents to other key stakeholders or to *introduce a joint review process on a regular basis*.

Accountability relies on *clear rules of transparency* and on *the threat of sanctions* in case of non-compliance. Without accountability of all key actors vis-a-vis local communities, and effective sanctioning mechanisms, all interventions of EcoGov Program may be undermined by inconsistent action.

**How are these governance elements practiced by projects of EcoGov Program?** Most of the projects have established different forms of multi-sector institutional mechanisms that seek to promote good governance in environmental and natural resource management (Table X). Ten of them have also used these mechanisms to increase participation of key stakeholders in planning, policy-making, implementation, law enforcement, data sharing, monitoring and/or benefit-sharing. The design and short duration of some projects (e.g. EcoGov Project and IWRA) tend to confine governance practices primarily in participation for the preparation and legitimization of various plans.

The new institutional mechanisms such as the different types of multi-sector or multi-stakeholder bodies have not been properly integrated into the existing permanent local governance structures, and mostly operate through memoranda of agreement. CRMP and, to a certain degree, EcoGov and SMBC are the few projects that worked to reconstitute and strengthen the existing local governance structures. Since a majority of these new multi-sector groups, alliances and boards perform "advisory" functions, they do not provide local communities an opportunity to get into in real decision making.

Available implementation plans, progress reports and partnership arrangements of some projects have not indicated clear rules of transparency and mechanisms of sanctioning. The ambiguity of such rules and mechanisms weakens the value of the multi-sector institutional innovation, and creates uncertainty on the higher-level commitments (national and local governments) and even those of other stakeholders. The practice of transparency generally has not gone beyond physical and administrative mechanisms, and no sanctions for non-compliance of stakeholders' obligations have been put in place.

**TABLE IV.A**  
**Types, Levels and Forms of Multi-Sector Participation**

Project	Type			Level		Form
	Working Groups	Alliance/ Partnership	Board/ Council	Municipality City	Province Region	
EcoGov Project	✓		✓	✓		P
CRMP			✓	✓		P, PM, I, M, B
IWRA		✓		✓		P
LAC		✓		✓		E, I, M, B
GIS Mapping		✓			✓	D
Peace Corps CRMI		✓		✓		P, PM, I, B
CRCI		✓		✓		P, I, B
SCSS						
SMBC	✓				✓	P, PM
Con-Financing			✓	✓	✓	P, PM, I, B, E
EBBC		✓			✓	P, I
USAEP						

**Note:** P - Planning, PM - Policy-making, I - Implementation, M - Monitoring, B - Benefits, E - Law enforcement, D - data

**Conclusion and Recommendations:** All the projects have worked to institute good governance in the environment and natural resources sector, but the design of scope of work and duration of implementation have confined their efforts largely on participation in planning, and physical and administrative transparency. To enable the new multi-sector or multi-stakeholder bodies to play their role of practicing good environmental governance, the EcoGov Program needs to:

- ▶ design institutional mechanisms as change agents to be built into existing institutions to ensure community participation in real decision making and promote transparency in the process. EcoGov Program needs to focus technical assistance and training to assist DENR and LGUs make and implement clear rules of transparency and accountability.
- ▶ use USAID resources to get LGUs' commitments to expand and reserve seats for CBFM/CBCRM People's Organizations and women in local government special bodies (Local Development Councils, Local Procurement Councils, etc.) to increase participation, transparency and accountability at local level.
- ▶ strengthen LGUs' public complaints desks and/or existing multi-sector governance structures to improve responsiveness to communities' problems in dealing with natural resource management and utilization.

## **B. INSTITUTIONAL DEVELOPMENT**

**Legal gaps, scarce sources of sustainable financing, and limited technical skills of LGUs exist in implementing co-management agreements with DENR:** Co-management arrangements as an institutional innovation are only administrative measures to expand the scope of LGUs' responsibility in forest management. In essence LGUs have no complete authority over forest resources within their jurisdictions, arising from incomplete devolution of natural resources management functions to LGUs under the 1991 Local Government Code. LGUs' policies and plans for the implementation of co-management arrangements are still subject to review and/or approval by DENR. Consequently, LGUs have limited legal basis for instituting resource use taxes or market-based instruments for developing sustainable financing mechanism. LGUs' limited capacity to package project proposals and to establish public-private sector partnerships in the management and/or utilization of forest resources has become a major problem in providing financing for co-management and other related arrangements. A draft World Bank Study (2003)<sup>9</sup> of three provinces in Northern Luzon (Isabela and Quirino) and Southern Luzon (Palawan) shows that "allocations for natural resource management account for just 1-2% of local government budgets" for the period 1998-2002.

Limited capacity exists in DENR field offices to provide technical data and advice to LGUs and POs: **In CBFM areas the inadequacy of technical data and maps at the DENR field offices has become a major problem for the preparation and implementation of LGUs' FLUPs and environmental ordinances, and POs' CRMFs, RUPs and AWP. The limited capacity of DENR field staff to provide on-site advice to LGUs and POs, further impaired by frequent personnel reassignment, has caused serious delays in local efforts to close the open access problems attendant to the country's forestlands. Meanwhile, illegal logging, non-timber forest products gathering and forestland conversion for agriculture have continued.**

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<sup>9</sup> World Bank, 2003, *Governance of Natural Resources in the Philippines: Lessons from the Past, Directions for the Future*, Draft Report, Rural Development and Natural Resources Sector Unit, East Asia and Pacific Region.

**Creation of PAMBs has brought environmental governance at the heart of biodiversity conservation areas, but the lack of Government support has left many PAMBs ineffective:** NIPAS Act of 1992 mandated DENR to create PAMBs and appoint their members. Over the past 10 years DENR has continued to create PAMBs in both proclaimed and proposed protected areas. Beyond the provision of basic orientation and training on the functions of PAMBs and the coordination of PAMBs' meetings, there appear inadequate support to PAMBs to effectively perform their planning, policy making, law enforcement, monitoring and evaluation functions defined in Section 18 of DENR Administrative Order No. 25, series of 1992 (NIPAS Implementing Rules and Regulations). Most PAMBs are ineffective in monitoring ongoing biodiversity conservation and socio-economic development activities as well as in law enforcement due to lack of monitoring tools/techniques and surveillance logistics. USAID-funded projects (Environmental Governance Project, Sierra Madre Biodiversity Corridor Project) have contributed in improving planning and monitoring capacities of PAMBs, but an expansion of this assistance is urgently needed to cover a much larger number of PAMBs throughout the country.

**There is inconsistent implementation of the policy of providing incentives to CBFM communities:** The slow approval process for RUPs to CBFM communities, through their established POs, has become a major disincentive for some communities to protect and manage their CBFM areas. The considerable number and complexity of documentary requirements for RUPs approval appear to be one of the root causes of this problem. A more discouraging condition arises when RUPs are given not to CBFM communities but to outsider groups with closer ties to some DENR field staff. This is a serious inconsistency in the policy of providing incentives to the communities recognized to be the best stewards of natural resources. EcoGov Project and DENR are currently analyzing CBFM policy guidelines to improve and simplify them, but CBFM communities are unlikely to benefit from this effort if granting of RUPs to outsider groups is continued.

**Proliferation of multi-sector or multi-stakeholder committees/task forces has occurred at the provincial and municipal levels:** Most of projects of the EcoGov Program have created and/or promoted similar committees/task forces leading to the proliferation of these groups in the provinces and municipalities covered, even in relatively small municipalities. Some of them have not been built on existing local governance structures (e.g., ESWMB, FARMC, LDC), and therefore operate outside those structures. This strategy presents a serious problem for the sustainability of their operations beyond the life of those projects. In many instances the committees/task forces introduced by those projects perform functions (i.e., planning and coordination) similar to the legal mandates of the existing local structures. Building the capacity of those committees/task forces appears to be misplaced in this case when the existing local boards/councils (ESWMB, FARMC, LDC, Provincial/City/Municipal Working Group of DENR-DILG-LGU Partnership on Devolved Forest Management Functions) have not been capacitated as well. In small municipalities, the creation of many committees/task forces is too taxing for local stakeholders with limited staff and resources, particularly in areas with a few NGOs and POs.

**Local communities are not really empowered by their participation in many multi-sector or multi-stakeholder committees/task forces:** Since most of those committees/ task forces are essentially technical working groups, their functions are recommendatory in nature. Local communities are therefore not really empowered since they are not involved in real decision-

making. Unless the promotion of environmental governance practices focuses on existing or legally mandated multi-sector boards/councils/TWGs, and local communities become members thereof, those communities will remain at the margin of decision-making arena.

**CBFM POs have limited capacity to develop sustainable livelihoods:** Forest-based livelihood activities that rely on the utilization and marketing of timber and non-timber products are faced with the problem of unsustainable raw material supply in view of the incomplete information on the standing stock, maximum economic sustainable yield and the rate of replenishment. Bringing in new business activities (e.g., diversified crops) is risky due to limited knowledge of appropriate integrated farming practices, limited integration into local and national markets, the long hauling distance, and poor condition of farm-to-market roads.

**Many LGUs, judges and prosecutors require greater understanding of environmental laws to improve their enforcement capacity and hasten legal action on environmental cases:** The provision of legal assistance to coastal and forest communities is now resulting in the arrest or conviction of law violators due to more active involvement of some local communities in preparing documentary evidences, filing complaints/cases in DENR/courts, and following up administrative and legal actions. Speedy actions on environmental cases have not been good enough because of the lack of understanding of environmental laws and jurisprudence to deal with environmental problems by many LGUs, judges and prosecutors. Two USAID projects (Legal Assistance to Communities Project and US-Asia Environmental Partnership) have conducted trainings and seminars to strengthen court capacity to handle environmental cases. But the limited scope of this assistance compared to the increasing cases of environmental violations in forest and coastal areas presents a major challenge to effective management of the country's natural resources. Expanding the present legal assistance not only to communities but also to LGUs, judges and prosecutors is essential to improve environmental law enforcement.

**Conclusion and Recommendations:** Over the past two decades significant GoP and donor investments and works have been placed to institutional (and policy) reforms for improved management of forest and coastal resources in the country. The EcoGov Program has play a key role in developing and implementing more decentralized and community-based management approaches for these resources, thus paving the way for greater LGU and community participation. In the early 1990s the EcoGov Program has further made a further step by directly supporting institutional innovations particularly at the local level to promote good environmental governance practices. However, there remain problems and challenges, as noted above, affecting implementation of environmental governance. More resources are required and support is recommended for:

- ▶ strengthening LGUs' legal powers coupled with budget transfer and increased technical support systems for better environmental governance;
- ▶ improving the capacity of DENR field offices to provide technical data and advice to LGUs and POs;
- ▶ strengthening the capacity of PAMBs to implement their Management Plans and play active role in law enforcement within the protected areas;
- ▶ strengthening the capacity of CBFM and CBCRM communities to develop and implement sustainable livelihood projects consistent with conservation principles;

- ▶ building innovations on existing local governance structures, processes and rules to increase the chances of sustaining the EcoGov Program structures and other interventions and
- ▶ strengthening the understanding and capacity of the courts to handle the increasing caseload of environmental actions

### **C. HUMAN RESOURCE DEVELOPMENT**

**The success of environmental governance efforts relies to a great extent on how well the human resources of the LGUs and the community are able to carry out its environmental plans and programs. There is a need continuously to build the capacity and motivate human resources. A variety of EcoGov Program capability- building initiatives have been enjoyed by LGUs and their respective communities. There are, however, human capacity development efforts that still need to be expanded or new ones that need to be addressed, such as the following:**

**Capacity Development of Central Office Staff.** All the projects have capacity-building components using different approaches such as participatory processes, training, coaching, and others. Capacity-building inputs are enriched with these newly developed processes, based on lessons learned from various project sites. Participants in these capacity- building activities are staff members of LGUs, NGOs, People’s Organizations, and regional offices of national government agencies.

There is a noticeable lack of involvement of DENR central office staff in capacity building activities, especially in the EcoGov Project. Capacity development involves not only participation in training programs but also involvement in project activities where knowledge skills and insights can be gained.

The need for central office involvement is based on the structure of the government. Central offices develop policies upon which regional and local programs are based. Central office staff have greater influence in determining program priorities for the field. Their involvement in capacity building activities in the field will, to a great extent, provide them not only with appreciation of best practices but also technical knowledge on best practices in project sites. This will give them the needed inputs for future policies and programs of their respective departments or offices.

Institutionalization of project gains depends, to a great extent, on the development of policies that will sustain project initiatives and ensure that these will find homes in the department itself.

The strategy of involving selected central office career staff in local capacity building activities should be included in the project design for purposes of activity planning and support from the project.

**Training of Institutional Trainers.** The training of LGUs, NGOs, and POs among projects of the EcoGov Program has resulted in enhanced capacities of both the government and private sectors of communities where the projects operate. But strengthening of institutions that transcend geographical and political boundaries has not been intensified. Best practices can be showcased in project sites and are helpful venues for project appreciation for “lakbay-aral”

(cross-visit) groups. But after observation tours, other LGUS should be trained in how to adapt best practices in their localities.

Guidebooks and other manuals are useful especially for LGUs that have reached that level of development where they can be labeled as learning organizations. But there is still need for trainers to train implementers to enable them to acquire the knowledge and skills necessary to make adaptation more successful.

Manuals for trainers have been developed for various aspects of environmental governance, such as those developed by CRMP, Tanggol Kalikasan, Conservation International, and other, and those of the EcoGov Project and cacao extension services which are undergoing final editing. Institutional trainers need to be trained on how to use these manuals and how to transfer knowledge and skills within the region where they are or across provinces, depending on the demand.

Institutions referred to here include the academe and other organizations within the province or region that have established a good record in providing service to the LGU and the community. Involving local or regional institutions as service providers and centers of excellence in capacity building activities is a more viable option for sustaining and transferring knowledge in approaches, processes, training strategies, and other project gains to other LGUs. They have farther reach when it comes to providing service. The very nature of their structures allows them to develop their own staff and become a repository of knowledge and capacity building materials that can be made available to new members of the organization and other organizations or individuals. The institutions can provide services in greater numbers even after the projects have ended. They have fewer constraints in providing service to other LGUs, even those outside the province where they are located. The province itself need not have such an institution within its geographic area. One that is located within or near the region can be as effective.

**Institute for Environmental Governance (IEG).** According to Tanggol Kalikasan, one of their strategies for institutionalization of paralegal training in environmental law enforcement is the establishment of an IEG in various regions. It is a tie-up between a selected state college and Tanggol Kalikasan. This is a breakthrough in environmental paralegal training. The plan of Tanggol Kalikasan is to use the IEGs to strengthen LGU officials and employees, judges, prosecutors, DENR and DA staff, all of whom are government people. Tanggol Kalikasan aims to continue training those coming from NGOs, POs, and other local service providers. This may result in polarization between the government and the private sectors. This may also deprive new entrants to the latter group of further training (even if they are willing to finance their attendance to paralegal courses) when the project ends.

It would be well to consider the inclusion of NGOs, POs, and other members of the community as participants to courses offered by the IEG. This can be included in the official document that creates the IEG.

**Participation and Transparency.** The approach being used for participation in most projects of the EcoGov program is more of consultation rather than community participation beginning at the conceptualization stage. There is little attention given to empowerment of communities that will allow them to participate from conceptualization to decision making of any project or program of the LGU. The usual practice of project contractors of hiring technical staff to

conceptualize and develop a project that is later presented to stakeholders for comments is deficient in terms of LGU and community ownership of the project. The concept of community ownership must be considered when starting a project. A perception of low ownership lessens commitment to the project. Low commitment in turn affects policy and decision making toward institutionalization on the part of both the LGU and the community. Low ownership also affects the will to implement the project.

Participation that begins at the conceptualization stage also empowers communities. Early engagement enables them to better understand their options; they also gain a better comprehension of why and how these projects are to be implemented. Participation also promotes transparency since the people can clearly see how decisions are made on these projects.

Other approaches to participation may be used aside from the consultation process. The use of the Technology of Participation (ToP) method and other community participation techniques such as those used by Tanggol Kalikasan may be adopted for this purpose.

**Sustainability of Project vis-à-vis Population Growth.** Gains in projects of the Eco Gov program are threatened by rapid population growth, through birth or combination of birth and migration. The resources available in many cases are feared to be less than what the communities need in the future because of this high population growth rate. The Eco Gov Program does not address the population concern, which in the future may lessen or erase the impact of breakthroughs achieved by its projects. Conservation International is addressing this problem, but it is still in its initial stages and their activities are limited to the Sierra Madre area. Already, they have gained many insights into the role of population growth with the sustainability of project gains.

USAID has a new project, the HELP LGU, which focuses on population. It may be worthwhile for HELP-LGU to include Eco Gov sites, where possible, as part of its project coverage. Natural resources conservation backed up with family planning strategies can be a viable option for sustaining conservation efforts in natural resources.

#### **D. CONCLUSIONS AND RECOMMENDATIONS**

**The importance of developing, motivating and maintaining people in all aspects of environmental governance cannot be overemphasized. The success of environmental governance activities depends on how well the LGU, in partnership with the community, can plan, develop, and implement a sustainable natural resource conservation and utilization program. The EcoGov Program has made substantial contributions in this regard. Nevertheless, there are still areas that need to be addressed, such as:**

- ▶ Capability building of DENR central and regional office staff;
- ▶ Training sufficient numbers of institutional trainers;
- ▶ Expanding the scope of IEG participants;
- ▶ Using a variety of strategies to ensure better participation and transparency in the planning processes and decision-making;
- ▶ Backing up natural resources conservation efforts with family planning strategies; and
- ▶ Strengthening the capacity of NGOs to become active partners in environmental decision-making.



## V PROGRAM CHALLENGES AND STRATEGIES

### A. STRATEGIC CHALLENGES, PROBLEMS AND RECOMMENDATIONS

#### 1. *Forests*

The degradation of Philippine forests is continuing to occur throughout the country. The demand for timber remains much higher than the sustainable and legal harvest rates can supply. Illegal loggers are ready to move in anywhere and any time there is an opportunity to harvest. Slash and burn agriculture in forest areas continues as the relentless pressure of population growth and the absence of viable employment opportunities drives people further into the forests.

The DENR with the assistance of a long list of donor-supported projects has attempted for the past 17 years to put a halt to illegal logging and reduce slash and burn and to introduce sustainable management systems. Protecting and conserving the forests has received the highest level of attention and investment of all natural resources. The DENR forest management strategy and most of the donor projects have included promotion of improved agro-forestry technologies and the conversion of forest areas to community-based management systems. The laws and regulations have been revised. Authority, responsibility and financial resources have devolved to the local level. Extensive training in technologies, methodologies, management systems and local governance was conducted. There have been initiatives for natural regeneration, reforestation and commercial and community based forest plantations.

Many strategies have been attempted; yet forest degradation continues. Illegal logging has indeed slowed down but as much because there are many fewer trees left in the forest as from protective measures or innovative community-based strategies. In reality, it is not clear from the literature what has and has not worked around the country and why. Additional information on what technologies work and what are the factors for success or failure of community-based management systems are needed.

- a) The agro-forestry technologies have not been as successful as originally expected. In some cases the contour tree and crop planting approaches failed. In other successful production schemes, there was no market available for the crops. In many attempted projects the bureaucratic system of applications, approval of plans, permits, etc. took too long or never occurred and the participants gave up in frustration. (see Section IV on Governance and Institutions.....). It is not altogether clear whether the technologies are inappropriate or the other factors are responsible for project failures. The factor that assure success of agro-forestry and community based projects are clearly understood.

— **conduct a detailed study of what technological innovations have been attempted and what have successful and for what reasons.**

- b) Agro-forestry is in fact an alternative livelihood to slash and burn but there are other alternative livelihoods that have been introduced in various projects with varying degrees of success.

- **study alternative livelihoods country-wide and determine what are the factors which determine the success or failure of alternative livelihood initiatives.**
- c) In the long term a reduced population growth rate will be necessary to achieve a balance between a finite supply of resources and demand of the population for timber and other income producing forest products. CRMP has included family planning in cooperation with PATH in several community-based programs. The new FISH project will also have a family planning initiative as pilot effort but a broader nationwide program would be worth considering in order to address this important problem.
- **explore the possibilities of incorporating family planning in the USAID and GoP natural resource strategies and linking the initiatives together for a synergistic result.**
- d) Considerable financing and technical assistance have been provided over the past two decades for the protection and development of the forest resources of the Philippines, yet the pressure on the forests and other natural resources continues to increase. The scope of long-term assistance in this sector must be carefully analyzed and planned. At the same time the question of whether the provision of assistance for alternative livelihoods or improved upland agricultural practices can reduce this pressure on the forest resources and the further encroachment of people into the forests.
- **the creation of non-timber related sustainable livelihoods in the uplands and non-fishing livelihoods in coastal areas discussed in the next section present a major challenge; EcoGov in the second phase could become an effective mechanism to provide assistance to communities to create alternative income initiatives.**
- e) *The Philippines Medium-Term Development Plan - 2001 to 2004* emphasizes the need for the preservation of the natural bio-diversity of the country. The previous *Conservation International* (CI) project funded by USAID mapped 206 biodiversity conservation priority areas and showed the need for the proper management of these areas. It is now time to move on with the implementation of programs in these areas. There is also need for greater availability of the CI maps in the planning agencies and communities so that terrestrial bio-diversity conservation responses can be accurately planned.
- **build on the work of CI; continue the establishment of more and improved management systems for protected areas and continue the production of appropriate maps.**

## 2. *Coastal and Marine*

Protection and conservation of coastal and marine resources has become a priority natural resource objective over the last 10 years. While it has not received the same level of attention and investment as forestry, it has had similar history of testing improved technologies, methodologies and management systems. Community-based coastal and marine resource management has emerged as a central strategy objective and considerable experience has been

gained with regard to the factors for success or failure of community based management systems. Recent coastal resources projects have demonstrated that appropriate management systems can restore and conserve the resource base and increase its productivity and income potential from fishing and harvesting of other marine products.

- a) Good management of the coastal and marine resources notwithstanding, the population density in the coastal communities, as in the forest areas, probably already has generated a demand that exceeds the capacity of the resource to produce. The population growth rate will continue to increase the pressure into the foreseeable future. Alternative livelihoods are potentially a major contributory factor in stopping over-fishing. Opportunities for alternative livelihoods must be explored to encourage non- exploitation of natural resources.

- **once again alternative livelihoods generation is one of the few means of achieving a balance until such time as the Philippines becomes an industrialized country. Increased attention needs to be given to tourism, scuba-diving, seaweed production, and mariculture, all of which were pioneered in CRMP. Other possibilities should also be explored.**

- b) Tourism is having a significant impact on coastal resources, potentially negative as well as positive. While eco-tourism offers opportunities for revenue generation and economic development, hotel development also creates additional sewage and waste that without adequate treatment and disposal can end up polluting beaches and coastal waters - the very resource that draws tourists in the first place. At the same time, hotels are opportunities to pilot waste minimization schemes, recycling, energy conservation, re-use of grey water for watering gardens and other practices that can help demonstrate good environmental management.

- **support and expand activities similar to the Sustainable Coastal Tourism Initiative that USAEP is ready to launch.**

- c) CRMP created a database and MIS for coastal and coral reef management and has begun to feed this information into the Coastal and Marine Management Office of DENR (CMMO). A decision must be made on whether or not these data are retained and expanded at the CMMO or within PAWB.

- **existing data-gathering is only a beginning. Further attention is needed to address the considerable need for data with which to have a better informed and more focussed planning process.**

- d) A number of initiatives exist to introduce the “*user pays*” approach for generating income to maintain coastal resources such as sanctuary and fishery patrols. Recreational use of coastal and marine areas within a selected number of LGUs is being tested by, amongst others, WWF and CRMP. There are other opportunities to generate income from “landing fees” from the commercial fishing boats that offload their catch at municipal wharfs.

- **the WWF and CRMP initiatives could provide lessons to be tried in other LGUs which are beginning to form plans for coastal resource management and are exploring ways to generate income.**
- e) The damaging practices of cyanide and dynamite fishing on coral reefs continue to do serious and often permanent damage to an indispensable resource of community fisheries. Without healthy reefs, where many species spawn and are protected, the fisheries cannot be replenished and will soon die out altogether. In addition to representing important biodiversity reserves, reefs are also a valuable tourist attraction, representing an additional income generation potential for many coastal communities.
- **promote community-based management of marine sanctuaries as one of the most promising opportunities for biodiversity conservation, economic growth in traditional fishing; and potential growth in a new tourist industry.**

### 3. *Watershed Management*

Considerable concern is expressed among planners and water resource managers that the watersheds, subterranean aquifers and rivers are being ill-used with insufficient care being directed to the management of these vital water resources. The formation of watershed authorities or river basin authorities has been attempted before, with varying degrees of success, including efforts previously funded by USAID. The introduction of watershed management institutions remains a target of the GoP as expressed in the NEDA *Philippines Mid-Term Development Plan - 2001 to 2004*. The importance of the management of watersheds as a discrete geographic entity is apparent to the planners of natural resource management strategies. The concept is total integrated management of the resource from the headwaters to the sea as the most effective strategy. One of the major problems for the planners is the lack of sufficient data particularly hydro-geological maps. A second major problem is organizing people with conflicting needs to management on a watershed basis.

- a) Tightening of regulations in some cases and more importantly, implementation of existing but ignored regulations, will have to be undertaken if the use of water, from whatever source, is to be controlled and, equally important, paid for by users. The attitude that water is “free” must change and the public made to understand that this vital and scarce resource and its delivery, has a value. “...Another prevalent concern is the absence of an independent regulatory body responsible for both resource and economic regulation. To address the issue, the *National Water Resources Board* (NWRB) acts as an *interim* overall regulator, except in the case of Metropolitan Waterworks and Sewerage System (MWSS), while waiting for the creation of an independent water resources authority.” (*Mid-Term Philippines Development Plan, NEDA.*)
- **a study is required of the need for strengthening the National Water Resources Board (NWRB) or the creation of another independent regulatory authority; and**
- **recommend that the Department of Interior and Local Government (DILG) promotes the formation of IWRA-type of multi-sector groups for the planning and management of watersheds.**

- b) The generation of funds for the maintenance of the watersheds, by the LGUs located within the watershed, should come from all users be they industrial, agricultural, recreational, users of piped potable water supplies and those who sink private boreholes (see 2. d above). This LGU income should be kept separate from their IRA allocations from central government. A review of the water permitting system of the *National Water Resources Board* should explore how it can be decentralized to give LGUs more management control over the ground water resources in their jurisdiction. The fees and other income generated from these water users, originates mainly at the “bottom-end” of the watershed. This income should be shared and used for the sustainable maintenance of the upper-reaches of the watershed. The income also could be used to provide alternatives livelihoods for the population in the "upper-end" of the watershed, and may constitute an element of cross-subsidization.
- **provide assistance for an examination of revenue generation opportunities by all involved parties - LGUs, Water Districts and irrigation schemes - to ascertain the most suitable funding mechanisms.**

#### **4. Water Supply and Sanitation**

Household sewage, industrial wastewater and agricultural runoff have become critical problems, seriously affecting both human health and the purity of the country’s water resources. Water pollution contributed by households continues to increase. The bulk of industrial pollutants come from the numerous small and medium scale industries that usually lack the necessary waste treatment facilities. Agricultural effluents (waste water from piggeries and poultry) and water runoff from agricultural lands laden with pesticides and fertilizers are expected to rise as production intensifies on existing farmland and expands to forest and grassland to feed a growing population. Surface runoff pollution of streams, rivers and lakes and the seepage to groundwater supplies contaminates nearly the country’s domestic water supplies, exposing the population to a multitude of environmentally related diseases. A total of 16 Philippine rivers are reportedly biologically dead, and a World Health Organization report cited the rise in human morbidity caused by gastrointestinal diseases from about 500 per 100,000 people in 1982 to over 5,000 per 100,000 in 1996.

- a) While there have been significant investments in water systems, much less has been invested in sewage treatment. Costs for sewers and treatment facilities can be high, but without these investments, water pollution will increase and the supply of clean water - already short - will worsen.
- **provide assistance to LGUs with identification, planning and adoption of low cost treatment technologies including basic village septic systems as well as planning for municipal sewage treatment plants; and**
- **explore collaboration with development funds, the World Bank and the Asian Development Bank on assistance needed for the financing of sewage systems.**
- b) Monitoring of pollution and water quality and enforcement of environmental laws impacting on water supply is weak. Passage of a draft Clean Water Act, now under

discussion, is expected and it will place substantial demands on local governments and the local offices of the DENR for monitoring and enforcement. The Ecological Solid Waste Act of 2000 (see section 5) has ambitious requirements as well. At the same time both communities on the one hand and the Courts on the other will need to better understand the laws and the environmental issues behind them if enforcement is to be effective.

- **provide support for improved monitoring and enforcement of water quality at all levels; and**
- **expand support for assistance to communities on environmental law and continue work with the Courts on enforcement.**

c) An important shortcoming across all environmental sectors, but particularly in water, sanitation and waste management, is the lack of capacity of local governments to develop budget and financing plans and then secure financing for the capital investments and operations that are needed to improve environmental management. Investments in water supply, water treatment, drainage, sewage treatment, solid waste collection, materials recovery, controlled dumps and sanitary landfills are relatively capital intensive. The operations necessary to maintain them require sustainable budgets, usually meaning user fees. Depreciation, amortization and cost recovery must be factored in or the investments will be unsustainable. The World Bank and the Asian Development Bank make significant loans for water and sanitation on their books, but some are only being drawn down slowly because of limitations in absorptive capacity. Local investment banks are beginning to lend to local authorities water sanitation investments but the market is thin and borrowing capacity is limited. Local governments have limited capacity to develop budget and financial plans and to secure financing for needed investments in environmental infrastructure.

- **provide assistance to LGUs in the development of budget and financial plans for environmental infrastructure;**
- **explore collaboration with the World Bank and the ADB on assistance necessary to build LGU borrowing capacity and the development of municipal bond markets; and**
- **support activities with the League of Cities and the League of Municipalities that help elected officials appreciate the importance and the economic benefits of investments in environmental management.**

## **5. *Solid, Toxic and Hazardous Waste Management***

Waste generation increased by more than 25% during the last five years. In Metro Manila only about 65-75% is collected, probably much less in many other parts of the country. Uncollected waste is thrown into empty lots, rivers, and along the coast directly into the sea. Land pollution brought about by improper disposal of solid wastes is contaminating the soil and threatens the integrity of ground and surface water. Leachates and surface runoff from dumpsites create vector

and water borne health risks. An estimated 25% of the total waste is considered hazardous with a variety of important health hazards.

- a) The solid waste component of the EcoGov Project is important in helping LGUs develop solid waste management plans but that work will need to continue beyond the life of the current project. The Project is only working with 40 of the 1300 municipalities in the country and most of those will need continued assistance with implementation and financing.
  - **the solid waste component of the Eco-Gov project should be extended to additional LGUs and assistance should be continued beyond planning to implementation.**
- b) A JICA study in 2000 reported that the number of potential hazardous waste generators in the country total about 15,000. Only about 2,000 of those are registered. The problem is becoming increasingly serious as the economy grows and local production increases. USAEP is currently supporting important industrial initiatives that minimize waste and promote cleaner production processes and technologies. Few other donors are involved in this area;
  - **programs to promote cleaner production, industrial waste minimization and management of toxic and hazardous wastes should be expanded; and**
  - **provide training to public sector and industry emergency and “first responders” on the handling of chemical/hazardous material disasters.**
- c) Of particular concern are small businesses that lack the technical or financial capacity to manage hazardous and toxic wastes. The Assessment team viewed some operators for example, who are simply letting sludge ponds fill up and empty paint cans pile up without any plans for disposal;
  - **programs to assist small businesses with hazardous waste management are needed.**
- d) Disposal of medical waste has become a critical problem, and the Clean Air Act now prohibits incineration. USAEP has supported study tours to look at alternative technologies, but wider dissemination of information about these technologies is important;
  - **programs providing medical facilities with information and technical assistance on alternative technologies for disposal of medical waste should be expanded.**

## **B. GOP AND DONOR INITIATIVES**

As seen in Annex II-A the contributions of the various donors in the Philippines towards environmental management are considerable. The order of magnitude of loans from the two multi-lateral aid agencies is between US\$ 200 and 300 million and from the bilateral agencies in

the order of US\$80 to -100 million. These loans and grants cover many of the diverse aspects of environmental management.

Part of the US\$200 to 300 million of the multilateral bank loans, may be on their active loan-funded projects list, but because of the limited absorptive capacity of the targeted departments, agencies and local governments, the “draw-down” is considerably less than intended in many cases.

A large number of local and international NGOs focus their attention on environmental and natural resource issues. The Assessment Team did not study the total contribution of NGOs environment and natural resource management but it is clearly significant. Many international and national NGOs are involved in all aspects of environment and natural resources. As an example of NGO involvement, the *Environmental Trust Fund*, worth US\$25 million from GEF and USAID under a debt for nature swap arrangement, is managed by the local NGO *Foundation for Philippine Environment*. It is recommended by the Assessment Team that USAID and its major contractors continue working with the NGO community. Not only is it generally cost-effective but assists in strengthening the capabilities of people organizations and thus in the longer term, provides another channel for development aid towards the effective management of the environment.

### **C. SUMMARY CONCLUSIONS AND RECOMMENDATIONS**

There are extensive recommendations in each section of this report. The fourteen points below summarize the major recommendations of the assessment for the next phase of the EcoGov Program.

1. Continue the Environmental Governance Program into a second phase beyond September 2004 with emphasis shifting more to wholesale rather than retail delivery of technical assistance in order to reach more LGUs communities. Primary emphasis should be given to developing the capacity of organizations providing technical assistance and training to LGUs and People’s Organizations. NGOs, local service providers, the municipal and city leagues and others should play an increased role. Assistance to LGUs and POs should extend beyond completion of resource management plans to help as needed with implementation of those plans.
2. Continue the emphasis on forest management, coastal resource management, marine fisheries and solid waste management (including toxic and hazardous), policy analysis, advocacy and IEC of the current EcoGov program. Technical assistance in protective area management should be provided to DENR and the LGUs that manage protected areas.
3. In addition, include clean water supply, sewage treatment, and watershed management as categories for assistance with specific interventions to technology, financial services and integrated management systems that are a comparative advantage of USAID and its TA contractors and grantees.
4. Continue the geographic emphasis on Mindanao for socio-economic, ecological and political reasons.



5. Increase the linkages among LGUs, NGOs, People's Organizations and other donor projects for the synergistic effect generated, broader coverage of technical assistance, and continuity of the overall effort.
6. Expand the role of Local Service Providers in training and technical assistance to LGUs, increase technical capability, and provide for more continuous resource planning and start-up implementation of new activities. Continue to strengthen DENR staff as technical advisors to LGUs.
7. Facilitate linkages of LGUs to financial institutions that can assist in the financing of environmental infrastructure such as sanitary landfills, garbage collection trucks and materials recovery facilities, clean water supply systems, sewage treatment systems, coastal patrol boats and similar equipment.
8. Include a component to explore and promote expanded opportunities for alternative livelihood enterprises such as seaweed production, mariculture, ecotourism and scuba/snorkel resorts using existing successful examples from CRMP, WWF and other projects. Expand hotel-resort participation in eco-tourism development as models of best practices in collaboration with LGUs, DENR and the Department of Tourism.
9. Create and/or support endowments at the municipal and city leagues, professional organizations, academic institutions with strong outreach programs, and NGOs to fund continuing environmental research, training and outreach to ensure continuation of the EcoGov strategy beyond the life of the Program.
10. Conduct studies of the factors that determine the success or failure of Community-based Natural Resource Management projects in forest and coastal areas.
11. Explore methods to expand family planning initiatives with EcoGov. Only with a reduced population growth rate will the pressure on natural resources actually subside.
12. Examine the possibility of providing technical assistance to improve the management of protected areas.
13. Explore the roles of DENR, DILG, DA/BFAR and other government agencies in EcoGov and FISH and other USAID funded projects and eliminate duplication, improve coordination and rationalize objectives and goals.
14. Create a comprehensive technical assistance initiative for the handling of medical, toxic, and hazardous waste.